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NEW DIRECTIONS FOR SSA: REVITALIZING SERVICE TO THE PUBLIC

HEARING

BEFORE THE

SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

WASHINGTON, DC

MAY 18, 1990

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NEW DIRECTIONS FOR SSA: REVITALIZING SERVICE TO THE PUBLIC

FRIDAY, MAY 18, 1990

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, DC.

The Committee met, pursuant to notice, at 9:35 a.m. in room SD-628, Dirksen Senate Office Building, Hon. David Pryor (chairman of the committee) presiding.

Present: Senators Pryor, Bradley, Breaux, Burdick, Cohen, Domenici, Glenn, Heinz, and Warner.

Staff present: Portia Porter Mittelman, Staff Director; Jonathan Adelstein, Professional Staff; Christine Drayton, Chief Clerk; Jeffrey Lewis, Minority Staff Director; Janice Fiegener, Minority Professional Staff; Isabelle Claxton, Minority Director of Communications and Wendy Taylor, Research Associate.

OPENING STATEMENT OF SENATOR DAVID PRYOR

The CHAIRMAN. The hearing will come to order.

Ladies and gentlemen, I would first like to welcome all of you this morning to this hearing on the management of one of the Nation's largest, most complicated agencies, the Social Security Administration.

Social Security touches almost every American family. Nearly one out of every six Americans receives direct benefits from Social Security or Supplemental Security Income. Because so many older Americans depend on these programs, the performance of the agency is a very critical concern to the Senate Committee on Aging.

Over the past year, this Committee has learned of problems that have sometimes alarmed us, our colleagues, and the general public. These range from the breakdown of the 800 number to growing backlogs and to the serious computer capability shortcomings. While we will be exploring these issues in detail, we're not holding this hearing to berate SSA. We come to help and to offer a hand of cooperation. We're holding it to build on the very constructive relationship that we have with Commissioner King and to encourage new directions that the agency might take under her dedicated and compassionate leadership.

Before Commissioner King took the helm at SSA, an Aging Committee hearing illustrated how the 800 number was dehumanizing the system, creating the potential for disaster.

The 800 number, against our advice, was implemented nationally in October 1989. Following its implementation, our worst fears came true. Service deteriorated, constituent complaints grew, and often well over half of all callers received busy signals. Even when the calls got through, too many older Americans received nothing but incorrect information.

Today, we're going to hear of a new General Accounting Office study commissioned by the Committee that found that 43 percent of the callers who were evaluated got wrong answers. These callers had about the same chance of getting a correct answer as they did of hitting red on a roulette wheel. They had a lot to lose, too, because one in five got wrong answers that could cost them benefits.

The findings stand in sharp contrast with SSA's own recent findings that 97 percent of responses are correct, so we have very, very different numbers from GAO and SSA. To remedy that breakdown of the 800 number, 28 of my Senate colleagues, 11 on this committee, joined me in co-sponsoring a bill to restore people's option to call their local SSA office and talk to someone they perhaps knew. We hope that proposals such as this will restore the human touch to the system.

Last December, we learned that SSA's computers could not be stopped from wrongfully and automatically deducting catastrophic health care premiums from Social Security checks until the summer of 1990. A GAO study, requested by Senator Heinz and myself, found that the Administration's inability to halt the overcharges stemmed from its inadequate computer and software systems. Refunds were sent back early via the Treasury Department, but at a cost to the taxpayers of tens of millions of dollars. This is after the Congress had poured hundreds of millions of dollars into the SSA's computer system that SSA told us would enable them to respond more rapidly to changes in the law.

Computers are not the only problem that SSA and Commissioner King face today. Last month, the Aging Committee came across an internal memorandum to the Commissioner from Herbert Doggette, Jr., the former Deputy Commissioner, who warned 2 weeks before he retired that workloads were getting "out of control in SSA." This threatened, in his words, and I quote, "deterioration in levels of service." My recent discovery of one large backlog, several piles of boxes upon boxes of unreconciled wage reports sitting in SSA's Baltimore office, seemed to support Mr. Doggette's contention.

Staff shortages can spell disaster in a situation like this. Recently, the Aging Committee found that thousands of poverty-stricken aged, blind, and disabled Americans were improperly suspended from SSI. I want to commend Commissioner King, who took very strong immediate steps to prevent further tragedies from happening like this. Today, we will examine that problem and whether her proposed intervention will be adequate.

Unfortunately, I'm very afraid that some recent SSA decisions will create and not prevent more problems. SSA has now decided to shift sensitive responsibilities which can affect benefits from claims representatives to service representatives who are not qualified to handle them. We will question how important duties like this can

be downgraded and transferred at a time when SSA should be taking new directions to avoid mistakes of the recent past.

The administration of SSA is paid for by earmarked contributions that taxpayers see go out of each paycheck. Americans of all ages expect and deserve the kind of service from the Social Security Administration they might get from the best insurance company. To the contrary, this Committee has uncovered evidence of strain, bad service, and many, many mistakes. We must correct that.

We are all dedicated to revitalizing this agency, and today you see an interest by several members of this Aging Committee who have attended this session this morning not only to find what the problems are, but how we can prevent those problems in the future.

The CHAIRMAN. If I might, let me at this time yield to Senator Heinz, and then we will use the early bird rule on our Democratic side.

Senator Heinz.

STATEMENT OF SENATOR JOHN HEINZ

Senator HEINZ. Mr. Chairman, the Social Security Administration holds in very sacred trust the hard-earned contributions of millions of American workers, contributions that are intended to cushion them in old age or disability against financial discomfort.

Further, most Americans come to the Social Security Administration or office at what, for them, is usually a very emotional time in their lives—at retirement, at widowhood, at the onset of disability. As I know Commissioner King knows and believes, these citizens, particularly when you take into the account the distress that they may be under, deserve the utmost in public service, service which is at the same time personalized as well as efficient.

Mr. Chairman, I want to thank you for calling this hearing today, because I share your concern that too often the public trust is abused, that too often what's delivered is not as good service as it ought to be, and sometimes actually is disservice.

I say that because each month I receive letters from constituents in my State with complaints or concerns about their experiences with the Social Security Administration. I've asked to have a few excerpts displayed here by way of example. On the issue of access to services, Virgil Alexander from Hershey, PA, said, "I got a busy signal for a full day. The next day began the same, so I gave up."

Mr. John Rote from New Castle, PA, Lawrence County, wrote about the quality of information available, "Our main question was about the provision for a widow's pension. The answer was that 'we don't give out that information because it's too confusing.'"

Stanley Eddy in Spraggs, PA, wrote about income protection. "I've worked all my life. Now that I can't work and can't receive any Social Security disability benefits, what should I do? Lie down and die?"

There are obviously others, and what those quotes prove is that these are not imaginary problems, they're not questions that are academic, they are very human problems, and they span several components of SSA's service delivery system, from the 1-800 tele-

phone service that Senator Pryor has mentioned to efficiency in the field offices to fairness in the disability determination units.

Not only are the problems widespread, but they've been with us for a while. I think that it's important to point this out because our Commissioner, who has been in the job roughly a year, is not responsible for these problems. But clearly she has a great responsibility to improve the situation that she has inherited.

Having said that, I have the distinct and disconcerting sensation, Mr. Chairman, of standing in an echo chamber, as other members of this Committee may recollect, because back in 1983, when I had your job as chairman of this Committee, I conducted a hearing on how well Social Security was serving the public.

One of the witnesses who testified 7 years ago, Paul Welch, is going to be with us again today. It is extremely distressing that, as we will hear, so little progress has been made in all these years. It's distressing that, at least in some quarters, the Social Security Administration continues to deny these problems exist.

At the 1983 hearing, Social Security assured us that with the assistance of systems modernization, workloads were stabilized, backlogs cleaned out, and that the agency was ready to move forward to a "superior level" of service. Yet just a few weeks ago, retiring Deputy Commissioner of Operations Herb Doggette wrote to Commissioner King to warn her of backlogs in workloads that are becoming, to quote him, "out of control."

Mr. Chairman, yesterday I sent Commissioner King a letter asking for a personal briefing on the recently completed inventory of pending cases, but even without this inventory, ample documentation exists that massive staffing reductions over the last several years have indeed taken a toll.

I should emphasize here that there are thousands of employees, who perform professionally with real and evident concern for the well-being of the beneficiaries. But I remain greatly concerned that SSA's emphasis on a more technological form of service delivery has actually worked to the detriment of beneficiaries.

Mr. Chairman, as you summarized, the busy signal at the end of the 1-800 hotline is the most recent example of how technology fails in the absence of adequate personnel.

Another population that clearly receives short shrift services are disability applicants. I know Commissioner King is aware of this problem and is taking some steps to deal with it, but the problem there is two-fold. First, the process for determining disability is flawed, and, second, an understaffed system is not able to go through reviews, particularly face-to-face. The result, as a November 1989 GAO report which I requested shows, is that over half of those denied disability benefits are indeed unable to work.

Mr. Chairman, this agency simply has to do a better job of developing evidence of disability at the onset. I've recommended face-to-face interviews of all disability applicants, particularly those with the types of disabilities that are most often reversed at the ALJ level. A congressionally mandated study of the efficacy of face-to-face interviews is outstanding since 1984. I've requested that Commissioner King make the findings available to me by the end of this month.

Mr. Chairman, in summation, I think it's important that the Social Security Administration and the Congress and this Committee move forward together, and move forward soon. Because we've had a lot of different administrators of this agency over the past decade, there have been a lot of changes made in the name of service, but too often that has not been the result.

So we have, as we know, a shared responsibility to take the steps necessary to get the right check to the right person not just some of the time, but all of the time. It isn't an easy task, but with the appropriate dedication and all the new tools at our disposal, it should be one that is achievable.

So, Mr. Chairman, I thank you for calling this hearing, and I look forward to our witnesses today.

[The prepared statement of Senator Heinz follows:]

NEWS FROM
SENATOR JOHN HEINZ
SPECIAL COMMITTEE ON AGING
Senate Hart 628 Washington, D.C. 20510-6400 (202)224-1467

STATEMENT OF SENATOR JOHN HEINZ, Ranking Member
Senate Special Committee on Aging
Hearing on Social Security Services
May 18, 1990

The Social Security Administration (SSA) holds in sacred trust the hard earned contributions of millions of American workers--contributions intended to cushion them in old age or disability against financial discomfort. Further, most Americans come to SSA at an emotional time in their lives--at retirement, widowhood, or the onset of disability. These citizens deserve the utmost in public service; service which is at the same time personalized and efficient.

I want to thank Senator Pryor for calling this hearing today because I share his concern that too often the public trust is abused, that too often what is delivered is not good service, but "dis" service.

Each month I receive letters from constituents in my state with complaints or concerns about their experiences with SSA. I've asked to have a few excerpts displayed here by way of example. These problems span several components of SSA's service delivery system--from the 1-800 telephone service, to efficiency in the field offices, to fairness in the disability determination units.

Not only are the problems widespread, but they have also been with us for awhile. In fact, I have the distinct, disconcerting sensation of standing in an echo chamber today. Back in 1983, as Chairman of this very Committee, I conducted a hearing to examine how well Social Security was serving the public. One of the witnesses who testified seven years ago, Paul Welch, is with us again today. It is extremely distressing that so little progress has been made in all these years. It is even more distressing that SSA continues to deny that problems exist.

At the 1983 hearing, for example, SSA said that with the assistance of systems modernization, workloads were stabilized, backlogs cleaned out, and that the agency was ready to move forward to a "superior level of service." Yet just weeks ago, retiring Deputy Commissioner of Operations, Herb Dogette, wrote Commissioner King to warn of backlogs in workloads that are becoming "out of control." Yesterday I sent the Commissioner a letter, asking for a personal briefing on the recently completed inventory of pending cases.

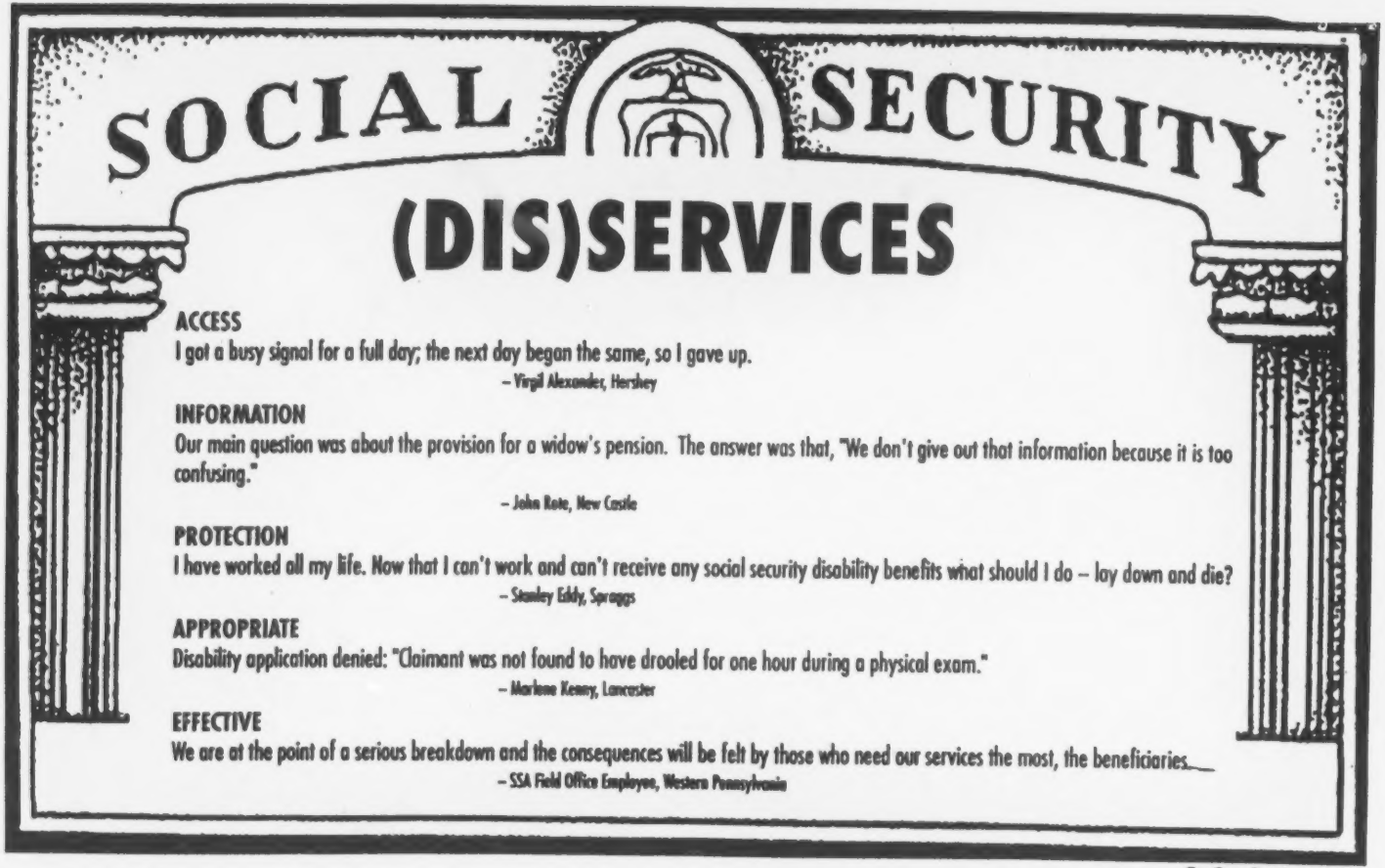
Even without this inventory, however, ample documentation exists that recent, massive staffing reductions have taken a toll. I should emphasize here that there are thousands of employees who perform professionally, with a real and evident concern for the well being of beneficiaries. But I am gravely concerned that SSA's emphasis on a more "technological" form of service delivery has actually worked to the detriment of beneficiaries. As Senator Pryor has just summarized, the busy signal at the end of the 1-800 hotline is the most recent example of how technology fails in the absence of adequate personnel.

Another population that clearly receives "short-shrift" services are disability applicants. The problem here is two-fold: first, the process for determining disability is flawed; and second, an understaffed system is not giving thorough reviews. The result, as a November 1989 GAO report which I requested shows, is that over half of those denied disability benefits are unable to work.

SSA simply must do a better job of developing evidence of disability at the onset. I have recommended face-to-face interviews of all disability applicants, particularly those with the types of disabilities most often reversed at the ALJ level. A Congressional mandated study of the efficacy of face-to-face interviews is outstanding since 1984. I have requested that Commissioner King make the findings available to me by the end of this month.

Congress and SSA must move forward to make needed changes in service delivery at field offices, the teleservice centers, and at disability determination units. Which brings me back to the point of the echo. If SSA needs more staff to do the job right, then the Administration needs to inform the Congress. The bottom line as always is the Agency's responsibility to get the right check, in the right amount, to all the right people at the right time. Anything short of that goal won't do.

Again, thank you Mr. Chairman for calling this hearing and I look forward to our witnesses today.


SOCIAL SECURITY
(DIS)SERVICES
ACCESS
I got a busy signal for a full day; the next day began the same, so I gave up.
– Virgil Alexander, Hershey
INFORMATION
Our main question was about the provision for a widow's pension. The answer was that, "We don't give out that information because it is too confusing."
– John Rote, New Castle
PROTECTION
I have worked all my life. Now that I can't work and can't receive any social security disability benefits what should I do – lay down and die?
– Stanley Eddy, Spraggs
APPROPRIATE
Disability application denied: "Claimant was not found to have drooled for one hour during a physical exam."
– Marlene Kenny, Lancaster
EFFECTIVE
We are at the point of a serious breakdown and the consequences will be felt by those who need our services the most, the beneficiaries.
– SSA Field Office Employee, Western Pennsylvania

Chart/Senate Republican Conference

The CHAIRMAN. Thank you, Senator Heinz, very much.

Our next Senator, according to the early bird rule, is going to be Senator Burdick, but before I turn the mike over to Senator Burdick, let me just state that Senator Breaux of Louisiana just slipped me a note and said, "we're not an aging committee, we're the Committee on Aging," and I wanted to put that in the record and make it very clear.

Senator GLENN. Speak for yourself, Senator.

Senator HEINZ. Put it in the record, but don't put it to a vote.

The CHAIRMAN. Well, one of our ageless and most loyal members and greatest advocates for the elderly will have his turn now: Senator Burdick of North Dakota.

Senator Burdick.

STATEMENT OF SENATOR QUENTIN BURDICK

Senator BURDICK. Thank you, young man.

I'm pleased to be here today to listen to Commissioner King as she describes for us the challenges she faces as "chief of reconstruction" at the Social Security Administration. I was very relieved to hear that SSA, under the expert guidance of Commissioner King, is preparing to keep people on the payroll and begin to deliver improved service.

In my mind, further staff cuts and increased reliance on phone service would have tragic consequences, so I'm hopeful that today we can shift our focus to rebuilding the SSA. The word I get out of my State of North Dakota is that understaffing remains the biggest obstacle to providing service.

Claim staff, who should be spending their time in direct contact with beneficiaries, are also burdened by mounds of clerical work. I'm told that SSA offices in North Dakota are also short on computer equipment. The downsizing of the mid-1980's led to the closing of a dozen contract stations in North Dakota. Sadly, SSI outreach activities in the State have been very limited.

So if we're here to focus on improvements, I know that added personnel and a few new computers will go a long way toward improving service in North Dakota.

Mr. Chairman, I'm eager also to hear from Mr. Delfico of the GAO. I understand that he will present to us a study on the accuracy of SSA's 800 number service. When this panel held a hearing on the matter of the 800 service last year, I let former Commissioner Harding know that I thought a telephone operator halfway across the country was no replacement for a friendly field officer.

I just don't believe that all beneficiaries can be properly assisted over the phone. Mr. Chairman, I'm hopeful that the period of rebuilding at SSA has begun. Change is badly needed. Thank you.

The CHAIRMAN. Thank you, Senator Burdick.

Senator Breaux.

STATEMENT OF SENATOR JOHN BREAUX

Senator BREAUX. Thank you, Mr. Chairman. Let me congratulate you for holding this hearing. I think it's indeed very, very important. I am pleased that the Commissioner will be with us. I note that she has undertaken some new initiatives to improve the qual-

ity of service, but as we all know, there's not a Member of the Congress in either the House or the Senate who does not receive a rather steady stream of complaints or requests from senior citizens and citizens who are disabled about their various difficulties and complaints with the Social Security system, all the way from getting a delay or what they feel is an improper decision all the way down to not even being able to get through to the office because of an inoperative 800 number.

These are the problems that we need to strive to correct. Certainly, we are not going to have perfection. That's something that we as humans are very rarely able to achieve, but we certainly can improve the quality of the service that the citizens of this country demand and are really entitled to.

The other day, I had an employee of the Social Security system come into my office and visit with me, and we were discussing problems that they were experiencing in their office, and I asked them to write me a letter which would sort of outline some of their particular concerns. I would like to read into the record the text of the letter, because it's fairly short, and involves one particular aspect of the service process.

I quote, "the Social Security Administration's appeals process which applies to disability cases is cumbersome and much too lengthy. The first step of the current process is the reconsideration stage. This is a paper process, no face-to-face meeting with the decisionmaker, which essentially duplicates the review done at the initial level.

Although a different team of adjudicators look at the case, in only some 5 percent of the cases is the decision reversed. This step adds on the average of 4 weeks to processing time. This comes on top of the 8 to 12 weeks it takes to process the initial application.

Following the time wasted at the reconsideration level, the claimant then faces a long wait for a face-to-face hearing. It usually takes 3 to 4 months for the hearing to be held and another 2 to 3 months for the decision to be released. About 50 percent of the hearing decisions are reversals. The next step, the Appeal Council review, can be even longer. A wait of 6 to 8 months is not uncommon.

The reconsideration stage should either be eliminated or converted to a face-to-face process. It currently does little more than add to the processing time. Steps should also be taken to shorten the current time frames for hearings and the Appeal Council review."

Mr. Chairman, these comments came to me from a person who has worked for the Social Security Administration for a very long time. I understand that the rate of reversals in Louisiana is unusually low. I'm not sure if that 5 percent figure is a local figure or a statewide figure for my State, but it does appear to me that a reconsideration process that only reverses about 5 percent of the claim denials is not accomplishing much of anything.

Another issue of major concern which hopefully will get some discussion today is the staffing problem. For cost reasons, the Social Security Administration has spent the last several years downsizing at a time when the demand seemed to be increasing.

Finally, I would hope that the Commissioner can provide us with some assurances that the recent decisions that were made within

the agency regarding the telephone services to the local offices will be handled more smoothly, certainly, than the experiences we have seen in the past. It seems that the agency is now prepared to restore the telephone access to local offices. I certainly hope that that is the decision.

I would only point out that our senior citizens depend on the Social Security Administration for a major part of their income. The efficiency and the quality of the services that SSA provides is therefore terribly important.

As I noted in the beginning, Commissioner King has made some real efforts to correct some of these service problems, and I certainly commend her and look forward to working with her to do an even better job. Thank you, Mr. Chairman.

[The prepared statement of Senator Breaux follows:]

STATEMENT OF SENATOR JOHN BREAUX
SENATE SPECIAL COMMITTEE ON AGING
HEARING ON
SOCIAL SECURITY ADMINISTRATION SERVICES

Thank you, Mr. Chairman, for the opportunity to speak. This hearing is a good idea. I am aware that the current Commissioner of Social Security, who will be testifying before the Committee today, has taken some initiatives to improve services to beneficiaries. However, like most Members of Congress, I receive a constant stream of requests for assistance from senior citizens and disabled persons whose benefits are being held up or who are dissatisfied with the way that their cases are being handled by the Social Security Administration.

Recently an employee of the Social Security Administration came into my office to talk about some of the more serious problems that he sees with the way the Social Security Disability Insurance appeals process is set up. This person left me with a written statement which I am now going to read from.

> The SSA appeals process which applies to disability cases is cumbersome and much too lengthy. The first step of the current process is the reconsideration stage. This is a paper process (no face-to-face meeting with the decision maker) which essentially duplicates the review done at the initial level. Although a different team of adjudicators looks at the case, in only some 5 percent of cases is the decision reversed. This step adds, on the average, 4 weeks to processing time. This comes on top of the 8 to 12 weeks it takes to process the initial application.

Following the time wasted at the reconsideration level, the claimant faces a long wait for a face-to-face hearing. It usually takes 3 to 4 months for the hearing to be held and another 2 to 3 months for the decision to be released. About 50 percent of hearings decisions are reversals. The next step, an Appeals Council review, can be even longer. A wait of six to eight months is not uncommon.

The reconsideration stage should either be eliminated or converted to a face-to-face process. It currently does little more than add processing time. Steps should also be taken to shorten the current time frames for hearings and Appeals Council review.

These comments came to me from a person who has worked for the Social Security Administration for a long time. I understand that the rate of reversals in Louisiana is unusually low. I am not sure if that 5% figure is a local figure or a state-wide figure, but it does not appear to me that a reconsideration process that only reverses about 5% of claims denials is accomplishing much of anything.

Another issue of major concern these days is the staffing problem. For cost reasons the Social Security Administration has spent the last several years downsizing. I have heard complaints that staff cuts have so increased the workload on Agency employees that there has been inadequate time to train them in the use of the 800 number. Employees cannot be taken off of the phones in order to be given the training that they need. A memo written by the former deputy director of the Social Security Administration, Herbert Doggette, Jr., that was obtained by the Aging Committee acknowledges that workloads are getting to the point that they are unmanageable. If the 800 number is going to be retained I hope that this problem can be addressed.

Finally, I hope that the Commissioner can provide us with some assurances that recent decisions made within the agency to return telephone services to local offices will be handled smoothly. It seems that the Agency is now prepared to restore telephone access to local offices, contingent on the availability of sufficient staff. It is my understanding that local offices in some parts of Louisiana have seen their staffs cut by 25 percent and more. Some offices are still losing staff who, they have been told, will not be replaced. I do not see how the Agency will be able to return to a system that allows any kind of substantial telephone access in local offices if staff levels remain as they are.

America's senior citizens depend on the Social Security Administration for a major part of their income. The efficiency and quality of the services that SSA provides is, therefore, terribly important. As I noted at the beginning of my statement, Commissioner King has made efforts to correct some of the service problems within the Social Security Administration. I commend her willingness to work with this committee and her apparent commitment to improving services to beneficiaries. I look forward to continued cooperation with Ms. King in the future.

Thank you, again, Mr. Chairman for your leadership on these issues.

The CHAIRMAN. Senator Breaux, thank you.

So the audience might know, Senator Breaux has now been elected to the membership of the Senate Finance Committee, and he will be dealing with many, many of these matters that we'll be discussing today.

Senator BREAUX. I think I want a recount.

The CHAIRMAN. You want a recount.

Senator John Glenn. Senator Glenn, thank you for coming.

STATEMENT OF SENATOR JOHN GLENN

Senator GLENN. Thank you, Mr. Chairman. Thank you. I commend you for holding today's hearing about the service being provided, or, in too many cases, not being provided to the public by the SSA, Social Security Administration. Like you, I'm very concerned about the impact of the staff reductions that occurred at the SSA during the Reagan Administration and about the 800 number system which has proven to be so unsatisfactory.

If we were to grade this as a movie, which we did sometimes with the previous Administration, we'd say this is a very, very poor grade B movie on what happened during those years, and it does not have a happy ending. Nobody rides off into the sunset feeling very happy about some of the things that we see.

Social Security had a staff of about 80,000 people, I believe, back in those days. It was whacked by 17,000. This was supposed to be, I guess, part of the new Federalism. We're supposed to do this at the State level. You can't do this at the State level with SSA. You don't administer it from the State level. It should have been one of those programs that was exempted from all of those cuts and the transfers of power that were done at that time, but that was not done.

I was pleased to join you, Mr. Chairman, as a cosponsor of the Social Security Office Access Restoration Act, which would allow elderly and disabled Americans to once again call their local Social Security offices. It certainly makes sense to me, and I look forward to hearing from Commissioner King about actions she is taking administratively to do away with the current impersonal, inaccurate, and extremely frustrating 800 number system.

Ms. King, you have my sympathy this morning, too. You're into a tough job. You're going to hear a lot of gripes this morning, you probably aren't going to enjoy them, they're going to be very critical of things going on, but there's a bright side to this also. The fact that it's come to our attention and we're having this hearing indicates that you have our support, and what you need, whether it be more computers or more people or whatever, tell us.

Don't just filter it through OMB. Tell us directly. Tell us directly what we need to do to improve Social Security services, because it involves the life of every single American. Every single American family is vitally affected by this. Do you need people? Do you need computers? Do you need reorganization? Do you need a changed attitude of your superiors? We can help change some of those attitudes over there. You wouldn't think it sometimes, the way things work, but sometimes we can have an impact from this end of the

avenue, and this is too important to too many people. If you need some help and need some changes, tell us, please.

You're going to be under a lot of pressure here this morning, but I hope you can tell us what we can do to help out, because that's what we want to do. We don't want to be meeting again on down the road years from now hearing the same complaints again.

While discussing today's hearing, a member of my staff told me of her recent experience with Social Security. This was not a set up. She has adopted a child and wanted to get a Social Security number, and not in preparation for this hearing, she went through the usual routine in an attempt to get the necessary form to apply.

Well, she called the 800 number listed in the Washington, DC, telephone directory numerous times over a period of several days, that's the number right here in Washington, and the line was always busy. Finally, she gave up. She had a back-up, of course, because she's a Congressional staff person, and she knew who to call. She called the Congressional Liaison Office, and they got her the form immediately, just like that, there wasn't any problem. But how many people know where to call? How many people out in the general public can call the Liaison Office?

She was taken care of because she knew how to work around the system, not through the system that 240 million Americans have to live with. So the form was sent, and she was given the number of the local office for an appointment, but other people don't have that. It wasn't a test, it was a legitimate request that just happened to come at the time we were preparing for this.

In 1983, this Committee, as Senator Heinz said, held a hearing on Social Security and how well it was serving the public. The purpose of the hearing, like today's, was to examine the operations of the Social Security Program from the perspective of the beneficiaries. In 1983, a witness from Ohio testified about his difficulties with SSA, and it was almost comical, but it was sad at the same time, about his difficulty in getting a situation resolved.

He was on an extended vacation in Florida, and SSA tried to contact him and couldn't, and somebody mistakenly entered into the record that he was dead. Social Security went out to get the money they had overpaid from the time they thought he was dead and attached his bank account and got the money, and he's meanwhile trying to convince them he's not dead, and the money's out of his bank account. He couldn't convince them otherwise, but finally we got it straightened out.

Here we are, though, over 6 years later, with another constituent of mine here today to tell us about her problems with the Social Security Administration, Sandra Boles from Fairborn, OH, sitting right behind Commissioner King this morning.

I want to thank you, Ms. Boles, for the assistance you're providing by being here today. She'll tell her own story, but we're just sorry that these situations still continue. Her situation is not one that's going to affect 100 million Americans, I guarantee you that, but it's interesting on how inflexible the system is when a problem is identified, and how we seem to have an inability to correct the situation immediately when it's brought to the SSA attention, and that's what she'll point out later today.

So, Mr. Chairman, again I commend you for holding this hearing, and I look forward to working with you.

Thank you all for being here, for your participation. Your testimony will be very helpful. You have the Commissioner right here to hear some of your problems this morning and to indicate what your problems are out there at the user end of this whole system, which is where it should be most effective, not the least effective.

I have another hearing I'll go to, and I'll be back a little bit later, and I look forward to hearing your testimony. Mr. Chairman, thank you.

[The prepared statement of Senator Glenn follows:]

Senator John Glenn

News Release

For Immediate Release: May 18, 1990

Contact: Rebecca Bell (202) 224-9799

OPENING STATEMENT OF SENATOR JOHN GLENN
AT A HEARING OF
THE SENATE SPECIAL COMMITTEE ON AGING
NEW DIRECTIONS FOR SSA: REVITALIZING SERVICE TO THE PUBLIC
Friday, May 18, 1990

Mr. President, I commend you for holding today's hearing about the service being provided -- or not provided -- to the public by the Social Security Administration (SSA). Like you, I am very concerned about the impact of the staff reductions that occurred at the SSA during the Reagan Administration, and about the 800-number system which has proven to be so unsatisfactory.

I was pleased to join you as a cosponsor of the "Social Security Office Access Restoration Act," which would allow elderly and disabled Americans to once again call their local Social Security offices. This certainly makes sense to me; and I look forward to hearing from Commissioner Gwendolyn King about actions she is taking administratively to do away with the current impersonal, inaccurate and extremely frustrating 800-number system.

While discussing today's hearing, a member of my staff told me of her experience with the Social Security Administration. She needed to get a Social Security number for her child and attempted to call the SSA to get the necessary form. She called the 800-number listed in the Washington, D.C. telephone directory numerous times over a period of several days. The line was always busy. Finally, she gave up and called the congressional relations office in Baltimore. The form was sent out immediately, and she was given the number of the local office to call for an appointment. How many people have this option?

In 1983 this Committee held a hearing, "Social Security: How Well Is It Serving The Public?". The purpose of that hearing, like today's, was to examine the operations of the Social Security program from the perspective of the beneficiaries. Back in 1983, a witness from Ohio testified about his difficulties with the SSA and, more importantly, about his difficulties in getting his situation resolved. I regret that once again -- over six years later -- a constituent of mine is here to tell us about her problems with the Social Security Administration.

I would like to take this opportunity to introduce Ms. Sandra Boles from Fairborn, Ohio; and to thank you, Ms. Boles, for the assistance you are providing by being here today. I will let you tell your story, but I want you to know that I am very sorry about the difficulties you have had with the Social Security Administration in trying to resolve your most unusual situation.

Mr. Chairman, again I commend you for holding this hearing. I look forward to hearing from today's witnesses, and I thank you all for your participation. Your testimony will be very helpful as we work together to ensure that the Social Security Administration is able to provide high quality service to all Americans.

The CHAIRMAN. Senator Glenn, thank you for your very constructive statement. I remember, by the way, Senator Glenn, the first day that Commissioner King and I had a one-on-one meeting in the office, and she came in, and I said, "what is a nice person like you doing in a job like this?" She does not have an easy job.

Before we call on Commissioner King, however, we're going to call on the General Accounting Office, and we're going to ask Mr. Joe Delfico to come, please, to the witness table, and I believe you are accompanied by Thomas Jurkiewicz.

Mr. DELFICO. That is correct, Mr. Chairman.

The CHAIRMAN. Mr. Delfico has performed a study on the 1-800 number, and I think it will be very revealing. We'll let him tell how the General Accounting Office performed this study and the results of that study.

Mr. Delfico, we look forward to your statement.

By the way, we will be observing for our witnesses today the 5-minute rule, and we would appreciate you cooperation. I'm sure there will be many questions that will touch on the subjects that you bring to the table today. Your full statement, if not completed, of course, will be placed in the record at the appropriate point.

STATEMENT OF JOSEPH F. DELFICO, DIRECTOR, HUMAN RESOURCES DIVISION, U.S. GENERAL ACCOUNTING OFFICE; ACCOMPANIED BY THOMAS JURKIEWICZ AND THOMAS SMITH

Mr. DELFICO. Thank you very much, Mr. Chairman. Also with me today at the table is Mr. Thomas Smith, who helped prepare this testimony.

We're pleased to be here today to testify on the Social Security Administration's methodology for evaluating the accuracy of information being provided to the public over the 800 system. In my testimony today, I will also focus on the Medicare catastrophic coverage problems.

To measure the accuracy of information provided the public over the phone system, SSA quality reviewers listen to a randomly selected sample of calls and classify the responses. They grade their accuracy and their completeness. Through April 1990, 140 reviewers have listened to over 25,000 calls nationwide.

To do our work, we listened, along with these quality reviewers, to a sample of 188 calls made at the Metro West facility in Baltimore. The monitoring took place during an 8-day period in February, and to assist in this effort we contracted with three former career SSA employees who had an average of 10 years' experience at the supervisory level at SSA teleservice centers.

Our contractors listened jointly with SSA to the 188 calls in our sample. I'd like to say at this time the statistics I'll present from here on in refer to what we found within that sample and don't necessarily represent what's happening in the Nation as a whole.

The most serious error a teleservice representative can make is to provide an inaccurate response to a question that could adversely affect someone's benefits. GAO and SSA, in their test, agreed that out of 188, 11 payment benefit errors were made during the test, but GAO found three additional errors. All three of these errors involved cases where the caller wanted to file a claim for

benefits but, because SSA's computer systems were down, the caller was instructed to call back the 800 number.

Now, SSA requires that the teleservice representative should, in these circumstances, record the caller's intent to file benefits, but in the cases that we noted, the representative did not do this. The point here is that for SSI claimants, without that particular record, they could be out benefits if they filed at a later date.

All told, we recorded an error rate of 22.6 percent, and the SSA reviewers recorded an error rate of about 17.7 percent for that particularly small sample. Perhaps of less importance, but still a measure of good public service, are workload or caller inconvenience errors. These are errors that cause SSA unwarranted workloads or inconvenience to the public.

We found there were about 55 calls in our sample with these errors. SSA found 26, and we recorded, based on those 55, a 34-percent error rate, while SSA recorded a 16 percent. The difference between the two error rates, mainly fell in two areas. First, we classified some of these errors as workload inconvenience errors, where the SSA people classified them as accurate responses but merely incomplete.

Now, this goes to the ambiguity of some of the instructions the reviewers have to deal with in measuring the calls and in grading whether or not they're accurate. The other part of the problem involved requests for Social Security numbers, and, in most of the cases, we noted that the SSA teleservice rep did not ask the required questions and give the required information on what documentation was required to file for a number.

The Social Security Administration, with some validity, said, "well, all that information is on the form to file for a number, so it wasn't that important." However, we went by the book, and the book says that the teleservice rep has to mention all of the support or the proof required.

Most other disputed judgments involved questions about obtaining a Social Security card, as I just mentioned, and, by and large, the final category of responses which were accurate but incomplete was just a reflection of the responses I mentioned earlier. SSA rated 23 calls incomplete and accurate; we rated 11 incomplete and accurate.

In our opinion, we'd like to see the agency focus on a number of areas, and we'll report on these areas in our final report to this committee later this year. We will focus on clarifying the teleservice manual—we think that's very important—integrating the accuracy checks with the quality assurance system, updating training to reflect the trends in accuracy—so that you could feed back to the teleservice reps where the major errors have been made—and recording conversations to make it easier to access accuracy.

Recording may be a sticky issue, but we feel it's important if you're going to develop an accurate measure of the accuracy rate for payment benefit errors.

Another aspect we'd like to address is how SSA reports the results of its accuracy studies to the public and to the Congress. The main point I'd like to make here is that SSA computes the payment-benefit accuracy rate—that it reports to Congress—in a way that we feel is incorrect and misleading.

In testimony before Congress earlier this year and in its Service Quality Report to the House and Senate Appropriations Committee dated March 1990, SSA said that its accuracy rate was 97 percent regarding payment amounts or eligibility. The method used to compute the rate overstates the accuracy, potentially to a significant extent.

I could illustrate this problem using our test data. For the calls we monitored jointly with SSA, the agency found 11 payment benefit errors, as I said earlier. Using this current methodology, SSA would compute the payment benefit error rate by dividing 11 errors by, in this case, 160 calls, which is the total number of calls we analyzed.

This computation produces an error rate of approximately 7 percent. If you did as we believe, and that is divide the 11 calls by the number of calls that had a potential for payment and benefit errors, you would come up with a 17.7 percent error rate, or a corresponding accuracy rate of 82.3 percent.

This may seem like an accountant's dream to talk about these numbers, Mr. Chairman, but we feel that presenting this information correctly to the public is an important disclosure.

I'd like to now discuss another area you are interested in, and that's the progress in stopping the withholding of Medicare catastrophic coverage. The Medicare Catastrophic Coverage Act of 1988 expanded the Medicare program to cover catastrophic medical expenses and, as you know, the act was repealed effective January 1, 1990.

SSA was not able to stop withholding catastrophic coverage payments by the effective date without jeopardizing the timely processing of basic monthly Social Security benefits. Consequently, it continued to withhold premiums averaging $5.30 for the monthly Social Security payments of 27 million beneficiaries through April 1990 until it reprogrammed its computers.

May's Social Security checks were the first not to have the catastrophic coverage premiums withheld. Consequently, Treasury issued two refunds—one refund in February and another in April. They returned the excess withholdings of about $589 million.

SSA officials acknowledge that withholding premiums could have been stopped sooner if the agency's computer programs for catastrophic premiums were better organized and easier to maintain. This approach, this unusual arrangement of collecting premiums while issuing refunds, will cost the Government $50 million.

SSA difficulties in stopping the catastrophic coverage premiums are indicative of a longstanding computer systems problem that the agency has had, namely its need to modernize its computer systems.

In our view, SSA should document the process that was followed to reverse the withholding and keep the current computer programs that it has developed and keep it updated, in case this happens again. At least it would save some time and money in the future if a benefit change occurs of this nature. This could help save money and make future rate changes easier.

This concludes my prepared statement, and I'll be happy to answer any questions you or the committee may have.

[The prepared statement of Mr. Delfico follows:]

United States General Accounting Office

GAO Testimony

For Release
on Delivery
Expected at
9:30 a.m. EDT
Friday
May 18, 1990

SOCIAL SECURITY: Service to the Public--Accuracy of the 800 Phone Service

Statement of Joseph F. Delfico
Director, Income Security Issues
Human Resources Division

Before the
Special Committee on Aging
United States Senate

Mr. Chairman and Members of the Committee:

We are pleased to be here today to testify on the Social Security Administration's (SSA) methodology for evaluating the accuracy of information being provided to the public over its 800 phone system. My testimony will also address SSA efforts to stop withholding of Medicare catastrophic coverage premiums. I will first discuss SSA's 800 service.

BACKGROUND

Each year more than 60 million people call SSA's 800 number for a wide variety of reasons. While an individual can visit a social security office to obtain service, the 800 system is designed to be the public's initial point of contact for social security services. Most telephone inquiries, such as inquiries about social security office hours, can be taken care of immediately. Other matters, such as applying for benefits, are more complex and are referred to local offices to handle. Whatever the public's queries may be, accurate responses and good public service go hand-in-hand.

To ensure that the public receives good service, the accuracy of the information provided need to be measured and evaluated periodically. Though on the surface the measurement may appear straightforward, it is complex and can be done in a number of ways.

SSA has tried two ways to measure accuracy. When the 800 service started in 1988, SSA designed test questions that were typical for the 800 system with specific criteria to measure whether responses were accurate and complete. Posing as the public, SSA employees called the 800 number, asked the questions, and assessed the quality of the responses.

This approach made it relatively easy to assess the accuracy of the responses and reduced the subjectivity of the assessment. However, the approach had a number of drawbacks. There was some argument as to whether the questions were typical, and whether they were too hard or too easy. But most importantly, the results of the test procedure did not yield actual error rates for live calls, but instead only gave a reading of how well SSA did on certain types of predetermined questions. The results did little to illuminate how well SSA was serving the public in general.

Because of these drawbacks, SSA changed its approach and decided to monitor live calls nationwide beginning in October 1989. However, as we shall discuss, this approach also has its shortcomings.

Our testimony addresses SSA's current method for monitoring 800 service quality. We assessed how SSA designed and implemented its study methodology and how it reports its results. We examined study instructions and other documents and discussed the study methodology and results with SSA officials. Also, as part of our review, we participated with SSA quality reviewers in monitoring live calls placed to SSA's Metro West facility in Baltimore. The monitoring took place during 8 days in February of this year. To assist us in this effort, we contracted with three former career SSA employees who had an average of 10 years experience at the supervisory level at SSA teleservice centers. Our contractors listened jointly with SSA to 188 calls involving 260 separate issues or questions.

Because of the small sample size, the results of our study cannot be projected nationally, regionally, or even to the Metro West complex for the days monitored. However, the sample did provide important insights into the implementation of SSA's methodology.

RESULTS OF OUR TESTING

One particular difficulty in monitoring live calls is that reviewers have only one opportunity to hear a call, interpret the facts as well as the context of the issues raised, and formulate an opinion of what constitutes a satisfactory response. While reviewers can take notes and use them to research manuals and program requirements at a later time, they can never replay the conversation. Further complicating the difficulty of this task, it is common for calls to last 10 minutes or longer and involve more than one issue.

Given this inherent difficulty in monitoring calls, we wanted to assess the extent of variability in the judgments made by several reviewers listening to the same call. Therefore, we arranged to have two of the three GAO contractors listen concurrently with 1 SSA reviewer on all of the calls and have each of the GAO contractors and SSA reviewers record their judgments independently.

There was a high rate of agreement between the three reviewers. On 86 percent of the 260 issues, SSA and at least one GAO reviewer agreed on the accuracy of the response; and on 70 percent of the issues, the agreement was unanimous.

Next, we attempted to resolve differences among reviewers and assess the reliability of the initial decisions. To do this, we examined the reviewers' notes--which documented the basis for their decisions--and corroborated them with SSA operating instructions and manuals. Where GAO contractors disagreed with each other, we first arrived at a consensus among them. We then compared the GAO contractor position with SSA's position and discussed with SSA those calls on which we disagreed.

After the discussions with SSA, we reviewed all of the calls monitored to assure that the review criteria was consistently applied for the GAO contractor decisions. Further, we eliminated 28 of the 188 sample calls from our universe for two reasons. First, for 6 calls, SSA operating instructions were unclear as to how the teleservice representatives were to respond to the point; thus, we could not make a judgment on the call one way or another. Second, for 22 calls, the SSA and GAO reviewers did not agree on what the caller said. This left 160 calls to evaluate. For the rest of this analysis, we discuss the results on a call basis rather than on an issue basis because that is the way SSA compiles and reports its accuracy data. Computing error rates on an issue basis could result in a somewhat lower error rate.

The most serious error a teleservice representative can make is to provide an inaccurate response to a question that could adversely affect the caller's benefits. GAO and SSA agreed on 11 "payment/benefit" errors made during the test, but GAO found 3 additional errors. All 3 of these errors involve cases where the caller wanted to file a claim for benefits, but because SSA's computer systems were down, the caller was instructed to call back the 800 number or the local field office. SSA procedures require that in these circumstances, the telephone representatives should record the caller's intent to file for benefits, but the representative did not.

Perhaps of less importance, but still a measure of good public service, are workload/caller inconvenience errors. These are errors that cause SSA unwarranted workloads or inconvenience the public. GAO contractors found 55 calls with these errors, and SSA found 26, which is 29 less than GAO.

For about half of these 29 calls in which GAO and SSA differed, most of which involved requests for social security numbers, GAO and SSA basically agree that the call was not handled as well as it should have been, but differ as to whether the response was inaccurate or merely incomplete. We believe that SSA teleservice center guides and reviewer instructions could be clarified as to what constitutes an inaccurate or accurate but incomplete response.

Most of the other disputed judgments involved questions about obtaining Social Security cards. GAO contractors rated 12 of these calls inaccurate because the SSA employee failed to fully disclose the evidence needed to obtain a social security card. SSA headquarters officials argued that such disclosure (though required by their guide) was unnecessary because the social security card application, which is sent to the caller in almost all cases describes all the proofs needed.

The final category of responses we analyzed were those rated as accurate but incomplete. SSA rated 23 calls incomplete while we rated only 11 calls incomplete. The main reason for this difference is that we rated calls as inaccurate that SSA rated as incomplete. This was due to differences in interpretation of SSA instructions to its reviewers.

OBSERVATIONS ON SSA'S METHODOLOGY

In our opinion, SSA could take a number of steps to strengthen its methodology for measuring the accuracy and completeness of 800 service responses, and in our report to this Committee, we will focus on the following areas.

- Clarifying the teleservice manual,
- Integrating the accuracy checks with the quality assurance process,
- Updating training to reflect trends in accuracy to specific responses, and
- Recording conversations to make it easier to access accuracy.

DISCLOSURE OF DATA ON RESPONSE ACCURACY

Another aspect we would like to address is how SSA reports the results of its accuracy studies to the public and the Congress.

To date, SSA has only reported payment/benefit errors. It has not disclosed the extent to which callers are inconvenienced or receive incomplete information, both of which are public service issues. SSA officials told us that, in comparison with payment benefit errors, judgments on these types of responses are much more subjective and therefore they are not satisfied that such data are meaningful. While we agree that these judgments can be difficult, we believe that SSA should strive to refine and report on these matters in some fashion because they are important to measuring the quality of public service.

The other problem is how SSA computes the payment/benefit accuracy rate that it does report to the Congress. In testimony before the Congress earlier this year, and in its service quality report to the House and Senate Appropriations Committees dated March 1990, SSA said that its accuracy rate was 97 percent "regarding payment amounts or eligibility." The method used to compute the rate overstates accuracy, potentially to a significant extent.

We can illustrate this problem, using our test data (see attachment I). For the calls we monitored jointly with SSA, the agency found 11 payment/benefit errors. Using its current methodology, SSA would compute the payment/benefit error rate by dividing the 11 errors by 160, the total number of calls we analyzed, regardless of whether these calls had anything to do with payments or benefits. This computation produces an error rate of 6.9 percent, or an accuracy rate of 93.1 percent for payment/benefit errors, and is not meaningful. We believe the rate would be meaningful if the calculation was made by dividing the errors by the universe of calls with a potential for having payment benefit errors. The error rate would then be 17.7 percent, with a corresponding accuracy rate of 82.3 percent.

ROLL BACK OF CATASTROPHIC COVERAGE
PREMIUMS COMPLETED ON SCHEDULE

I would now like to discuss another area you are interested in--SSA's progress in stopping the withholding of Medicare catastrophic coverage premiums. The Medicare Catastrophic Coverage Act of 1988,[1] among other things, expanded the Medicare program to cover catastrophic medical expenses. Payments for this coverage were deducted from monthly Social Security payments beginning in January 1990. But almost immediately, the act came under fire from beneficiaries and others, and in December 1989, most provisions of the act were repealed effective January 1, 1990.[2]

However, SSA was not able to stop withholding catastrophic coverage payments by the effective date without jeopardizing the timely processing of basic monthly Social Security benefits. Consequently, it continued to withhold premiums averaging $5.30 from the monthly Social Security payments of 27 million beneficiaries through April 1990, until it reprogrammed its computers.

May's Social Security checks were the first not to have catastrophic coverage premiums withheld. Consequently, Treasury issued two refunds--one in February and another in April--returning the excess withholdings of about $589 million.

SSA officials acknowledge that withholding premiums could have been stopped sooner if the agency's computer programs for catastrophic coverage premiums were better organized and easier to maintain. Given the limitations of SSA's computer systems, the agency's approach was the quickest way to stop the collection of the repealed catastrophic coverage premiums as well as return the money withheld. This unusual arrangement of collecting premiums while issuing refunds will cost the government about $50 million.

SSA's difficulties in stopping the catastrophic coverage premiums are indicative of the long-standing computer systems problem the agency has, namely, the need to modernize its computer systems.

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[1]P.L. 100-360, enacted on July 1, 1988.

[2]P.L. 101-234, enacted on December 13, 1989.

SSA has stated, and we have previously reported, that the complex structure of SSA's software programs makes them difficult to understand and maintain.[3] These problems will only be corrected by its computer modernization effort, which will not be completed until the mid-1990s.

In our view, SSA should document the process that was followed to reverse withholding and keep current the computer programs that were developed. This could help save time and money in making future rate changes until SSA's effort to overhaul its existing computer system is completed.

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This concludes my prepared statement. I will be happy to answer any questions you and the committee members may have.

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[3]Social Security Administration's Computer Modernization Effort May Not Achieve Planned Objectives (GAO/IMTEC-85-16, Sept. 30, 1985); Software Systems: SSA Encountering Significant Delays in Its Claims Modernization Project (GAO/IMTEC-87-8, Dec. 22, 1986); and Software Maintenance: SSA's Use of Its Software Maintenance Package (GAO/IMTEC-89-38, June 15, 1989).

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ATTACHMENT I

COMPARISON OF SSA AND GAO TEST RESULTS
(Not Projectable)[a]

	SSA	GAO
Number of calls in sample[b]	160	160
Payment/Benefit Errors		
Number of calls with payment/benefit potential, as identified by SSA	62	62
Number of calls with payment/benefit errors	11	14
Percent of calls with payment/benefit errors	17.7	22.6
Workload/Inconvenience Errors		
Number of calls with workload/ inconvenience potential	160	160
Number of calls with workload/ inconvenience errors	26	55
Percent of calls with workload/ inconvenience errors	16.3	34.4
Percent of Call Universe With Errors (Payment/Benefit and Workload/ Inconvenience)	23.1	43.1
Number of Accurate But Incomplete Calls	23	11

[a]Because of the small number of calls sampled, these results cannot be projected nationally, regionally, or even to the Metro West teleservice center for the period.

[b]Actual number of calls listened to was 188. Twenty-eight calls were eliminated because of lack of clarity and disagreement on what was said.

The CHAIRMAN. Thank you very much, Joe.

Is Mr. Jurkiewicz going to discuss in a statement the refund issue on catastrophic, or is he here just to answer questions?

Mr. DELFICO. He's here just to answer questions.

The CHAIRMAN. You do not have a statement, though?

Mr. JURKIEWICZ. No, sir.

The CHAIRMAN. All right. Let me do this, then. Inasmuch as Mr. Delfico has finished his statement, and Mr. Jurkiewicz is here to answer questions relative to Medicare catastrophic refunds, we have two of our colleagues who have joined us.

Senator COHEN. I'll yield to Senator Warner.

Senator Warner, he's yielded to you, if you would like to speak.

Senator WARNER. At this point, I'll reserve my remarks preceding the Commissioner's—Mrs. King.

The CHAIRMAN. Thank you, Senator Warner.

Senator, COHEN. Thank you very much.

Let me ask two or three questions to lead off here. We do have a huge difference in error rates reported by SSA and GAO. SSA says very few errors are being made now; the General Accounting Office comes forward and says, "not true," there are a lot of errors being made, a lot of Social Security recipients are calling these 1-800 numbers and they're, one, not getting an answer many times, and, two, they're being given the wrong information when they get that individual.

What's wrong, in a nutshell? I don't want to hear about a lot of percentages and statistics and studies.

What's wrong, Joe?

Mr. DELFICO. I think if you want to take a real top down look at it, they probably don't have enough people to answer the phones in their 800 system, and because of the busy signals and the training required, you're getting poor answers on the phone.

The CHAIRMAN. What should they do about it?

Mr. DELFICO. Right now, I think they're scheduled for about 3,900 staff years for the 800 system, and they probably need more people to answer phones. The call volume is up, and that's an additional big problem.

Below that level, I think their guidance for measuring the accuracy rates could be clarified. Measurement is a new thing, they've started it just recently. I have to give them credit, they're taking the most difficult approach and the most comprehensive approach around to measure accuracy. You could do it another way, but this is really a tough way to do it, and I applaud their actions.

The CHAIRMAN. I even heard, while you were doing this study, a personal experience of a former colleague of yours at GAO, Mr. Bernie Unger, who has had some personal problems with the 800 number. Would you care to convey those to this committee?

Mr. DELFICO. My understanding was that Mr. Unger's mother wanted to apply for Medicare Part B, and as she tried, she wasn't able to get a right answer to her question on how to apply for Medicare Part B. Mr. Unger then took up the task, and he was also given different answers to his particular question.

In the context of our work that would probably be considered a payment benefit error, the worst kind of error SSA could make. The caller had private insurance and was paying premiums on pri-

vate insurance and would have continued to pay these premiums if they hadn't received help from Senator Glenn's people.

The CHAIRMAN. All right. I may have two or three follow-on questions. Let me yield, if I might, to Senator Heinz and then to Senator Burdick.

Senator Heinz.

Senator HEINZ. Mr. Chairman, have you started your questions?

The CHAIRMAN. I have finished my first round of questions for Mr. Delfico.

Senator HEINZ. Very well, Mr. Chairman.

The CHAIRMAN. Mr. Jurkiewicz is here, by the way, to answer questions on the Medicare catastrophic refund.

Senator HEINZ. Mr. Chairman, let me ask Mr. Delfico, I understand that you can't validly infer that the findings from the Baltimore teleservice center are representative of the entire country, but I am told that Baltimore is reportedly the Cadillac of teleservice centers and that it's not unreasonable to expect they would have the best performance rate.

There was a fairly high rate of errors at Baltimore. Do you believe that other teleservice centers throughout the country would have higher error rates?

Mr. DELFICO. They could. It's possible. I'm not sure how the accuracy rates compare. I don't have that data available. Maybe Mr. Smith does.

Mr. SMITH. Baltimore has one of the highest error rates, a payment benefit error rate of 3.6 percent, based on a percentage of all calls. Auburn, at the same time, has a similar rate. The other two megasites have an error rate of 2.1 and 2.7 percent. So it would not appear to be a Cadillac, in that respect.

Senator HEINZ. In terms of performance.

Mr. DELFICO. In terms of performance, yes.

Senator HEINZ. Yet, I am told that it's considered the Cadillac in terms of the resources that are applied. Is that your impression, too?

Mr. SMITH. That would be hard to say. To look at that, you'd really have to look at their traffic, and, again, I assume you're talking in terms of staff.

Senator HEINZ. Staffing and training.

Mr. SMITH. It could be, yes.

Senator HEINZ. Now, I understand that the Social Security Administration has a plan for completing the modernization of their computer system by the year 2000, and I assume that you have had a chance to look at that plan, because we asked you to look at it in the wake of our discovery that it was going to take 5 months to deprogram Social Security computers and stop them from collecting the premium for the nonexistent Medicare catastrophic benefits.

Could you comment on the feasibility of the Social Security Administration's plan to modernize and what the agency's intermediate and short term goals are in order to achieve modernization by the year 2000?

Mr. DELFICO. Yes, Senator Heinz. I'd just like to make a brief point about their plan and Tom here could get into the details. I thought, the strategic plan, that was issued the year before last was a very bold attempt to give the agency direction. We really

pushed for that in our management review of the Social Security Administration and would like to see SSA continue that type of planning.

The detail in that plan dealing with the ADP system is not adequate enough to know exactly where they're going. I think Tom has a couple of comments he'd like to make on that.

Mr. JURKIEWICZ. Senator Heinz, we reviewed SSA's agencywide strategic plan for the year 2000 from an information technology perspective.

GAO has reviewed SSA's plan for agencywide efforts to improve technology by the year 2000. Although the plan provides a view of where SSA's wants to be by the turn of the century, it doesn't provide the kind of details necessary for evaluating how the agency is going to get there.

For example, SSA's plan doesn't provide specific short-term and long-term goals that the agency is looking to achieve over the next 1 year, 5 years, or 10 years. Further, the plan doesn't provide objectives or identify projects that SSA wants to undertake in order to achieve the level of service it desires. Also, SSA's plan doesn't identify the resources or milestones that will be needed to put an improved information system in place.

GAO issued a report in 1987 that addressed some of the shortcomings in SSA's ADP planning effort. At that time, we recommended that SSA prepare interim plans, and short term plans showing where the agency wants to go and how it will get there. Plans which could be used to assess SSA's process.

Senator HEINZ. When did you make that recommendation to them?

Mr. JURKIEWICZ. GAO issued its report in February 1989.

Senator HEINZ. So over a year ago?

Mr. JURKIEWICZ. Yes, Senator Heinz.

Senator HEINZ. So your point is that bold and appropriate as that plan may be, there is no way either Commissioner King or the Congress can have much confidence that it will be realized, because performance in achieving interim goals can't be measured, since there aren't any interim goals. Is that a fair statement of what you've said?

Mr. JURKIEWICZ. I think it's a fair summation. The basic position the Congress will be in is that it won't have the kinds of information that is needed to assess and review SSA's progress to see if it's off track, and if it is, how to put it back on track.

Senator HEINZ. Mr. Jurkiewicz, thank you very much, and Mr. Delfico.

Mr. Chairman, I'd only observe that that scene strikes me as a real warning shot across both ours and the Social Security Administration's bows. Clearly, if we're going to take advantage of the most up-to-date computer technology, and it's going to take us 10 years, we ought to have some assurance that all the effort and attention is actually going to result in something concrete and measurable; otherwise, we might end up here, God forbid, Mr. Chairman, having the same hearing 10 years from now. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Heinz.

Senator Burdick.

Senator BURDICK. Mr. Delfico, I've listened to your testimony, and you gave us some percentages of accuracy. I'd like to go a little deeper into that. The problem isn't only accuracy; the problem that I have in my part of the country and in other places that I've talked about is getting connections. You'll call six or seven times and get a busy signal every time. Now, that isn't geared into your statistics, is it?

Mr. DELFICO. That's correct, it is not.

Senator BURDICK. Your statistics assume that every time you call you get an operator.

Mr. DELFICO. In a sense that's right.

Senator BURDICK. But that's not true.

Mr. DELFICO. That's not true.

Senator BURDICK. That's not true at all. As a matter of fact, in my Fargo office, I gave up one time and quit. How can we improve that?

Mr. DELFICO. Well, again, I think one of the big problems with the phones is having enough people answering phones at peak times, particularly. There has been a chronic problem since 1988 with busy signals at peak periods during the year, and the agency is trying to work out a staffing plan so that they have enough people at the other end of the line to answer phones at peak times.

There are a number of problems that are causing the system to fail, fail in the sense that their busy signal rates are exceeding their own criteria. One is that they are serving more and more of the country. The system is getting bigger, it has grown just recently. The other problem is that changes in the program, the Medicare catastrophic change, for example, cause many additional people to call. As a consequence you receive an unanticipated number of calls. It's very difficult to staff in that kind of an environment.

Senator BURDICK. Well, all I want to say is that I have no faith in your statistics, because you haven't brought that into consideration.

Mr. DELFICO. It's a good point, Senator, because the people who call and get a busy signal are inconvenienced, and it should be somehow included in the statistics, and we'll think about that. I think you bring up a very good point. They are at a minimum, inconvenienced.

Senator BURDICK. So we've got a big job ahead of us, haven't we?

Mr. DELFICO. Yes, sir. Yes, they do.

Senator BURDICK. Thank you.

The CHAIRMAN. One point, one question on this. If in Fargo, ND, a citizen there wants to call the local Social Security office, is that number in the local telephone directory?

Mr. DELFICO. I don't think it is.

The CHAIRMAN. So if they do call the 800 number, if they make that call from Fargo, and someone does answer the phone by chance, where is that person likely to be that answers the telephone?

Mr. DELFICO. I don't know if there any one place.

Mr. SMITH. I would guess Chicago, or Minneapolis, so it's some distance from Fargo.

The CHAIRMAN. This has been one of my main complaints with this whole system.

Senator Cohen, I believe, is next, or Senator Warner. I wasn't sure which one.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you. I'll be very brief. First, Mr. Chairman, I'd like to say a word or two about the distinguished witness about to take the stand. We welcome Gwendolyn King. I've had the privilege of knowing her for many years and working with her, and I'd like to submit my statement for the record.

The bottom line is let's give this outstanding professional a chance before we become too critical. She's going to testify shortly about the steps she's taking to remedy the very important shortcomings that this panel has provided the Committee with information about, so I join in welcoming you.

I'll have to step out momentarily, but my first question to the panel is, it is my understanding you've said that the accuracy check of the new 800 telephone service was based on a sample of calls at only one center. Could you clarify the error rate found in your sample, and should it not be projected on a national basis?

Mr. DELFICO. The error rate we found in our sample, Senator, was valid only for the 160 or so calls we took. Statistically, from that sampling base, we would not take that data and project it to the national level. Statistics drive us to say that our results are only a function of the small sample. Error rates could nonetheless be higher or lower at the national level. We don't know.

Senator WARNER. But the problem is we're sending a message out through the media today to millions of people, and I do not want to raise either fears or expectations until we have a more careful analysis of this problem and allow, really, the new Commissioner to give it her best shot.

Mr. DELFICO. I understand.

Senator WARNER. Thank you very much, Mr. Chairman.

[The prepared statement of Senator Warner follows:]

John Warner

SENATOR JOHN WARNER

SPECIAL COMMITTEE ON AGING

MAY 18, 1990

NEW DIRECTIONS FOR THE SOCIAL SECURITY ADMINISTRATION:
REVITALIZING SERVICE TO THE PUBLIC

MR. CHAIRMAN, SENATOR HEINZ, I AM PLEASED TO JOIN YOU THIS MORNING AS THE COMMITTEE UNDERTAKES THIS TIMELY EXAMINATION OF CURRENT CHALLENGES TO THE EFFECTIVE MANAGEMENT OF THE SOCIAL SECURITY ADMINISTRATION (SSA).

IT IS A PARTICULAR PLEASURE TO EXTEND A WARM WELCOME TO THE NEW COMMISSIONER OF SOCIAL SECURITY, MRS. GWENDOLYN KING, IN HER FIRST APPEARANCE BEFORE OUR COMMITTEE.

COMMISSIONER KING IS ALREADY DRAWING PRAISE FOR HER LEADERSHIP. FROM REPORTS I HAVE RECEIVED, EMPLOYEE MORALE IS ON THE UPSWING, AND ESSENTIAL BENEFICIARY SERVICES ARE BEING STRENGTHENED AND RESTORED.

COMMISSIONER KING HAD NO "HONEYMOON" AT SOCIAL SECURITY. SHE WENT RIGHT TO WORK TO HELP TACKLE SIGNIFICANT MANAGERIAL AND SERVICE DELIVERY PROBLEMS. I LOOK FORWARD TO HEARING OF HER SUCCESSES AND ALSO OF THE IMPORTANT CHALLENGES NOW RECEIVING HER ATTENTION.

CONTINUED--

THE COMMITTEE HAS IDENTIFIED A NUMBER OF PROBLEMS ON WHICH WE HOPE TO HAVE HER VIEWS AND RECOMMENDATIONS FOR ACTION. THESE INCLUDE:

THE NEED FOR IMPROVED "OUTREACH" SERVICES FOR POTENTIAL SUPPLEMENTAL SECURITY INCOME (SSI) BENEFICIARIES;

THE DIFFICULTIES INVOLVED IN ACHIEVING AN EXPEDITIOUS ROLLBACK OF THE MEDICARE CATASTROPHIC PREMIUM SURTAX;

THE ASSIGNMENT OF TECHNICAL CLAIMS REPRESENTATIVE DUTIES TO LESS-SKILLED SERVICE REPRESENTATIVES;

AND THE NEED TO RESTORE THE TRADITION OF "HUMAN CONTACT" AS A PART OF THE NEW "800" NATIONWIDE TELESERVICE SYSTEM.

I BELIEVE COMMISSIONER KING IS THE RIGHT PERSON AT THE RIGHT TIME TO GUIDE SOCIAL SECURITY THROUGH THE TROUBLED WATERS OF THESE AND OTHER PROBLEMS. THIS MOST IMPORTANT OF FEDERAL AGENCIES, SERVING FORTY-FOUR MILLION RETIRED AND DISABLED BENEFICIARIES, CAN AND MUST BE BROUGHT TO SAFE HARBOR.

MR. CHAIRMAN, THANK YOU AGAIN FOR HOLDING THIS IMPORTANT HEARING. WE HAVE A NUMBER OF DISTINGUISHED WITNESSES TO HEAR FROM, SO LET US PROCEED WITH THE MORNING'S BUSINESS.

The CHAIRMAN. Senator Warner, thank you.

Earlier in our discussion, we stated without any reservation not only do we want to give the new Commissioner, Mrs. King, a chance, we also want to extend to her a helping hand to make things better.

Senator Breaux.

Senator BREAUX. Thank you very much, Mr. Chairman. I'll be very brief.

How do you pronounce it, Joe? I want to make sure I'm getting your name right.

Mr. DELFICO. Delfico. Or just Joe.

Senator BREAUX. Good old Joe. It was interesting about the 800 number and getting a South Dakota citizen talking to someone in Buffalo about a problem, and when you've got people in South Louisiana, we speak half French, half English, and half a combination, getting someone in another State, trying to help them with a problem, that is a problem just to begin with. It's a language problem almost, and they feel instantly uncomfortable talking with someone who they don't feel is on the same wavelength with them from a social standpoint, so that initially, I would imagine, creates difficult problems.

I was interested in the fact that most of your disputed judgments that you have here in your testimony involved questions about obtaining Social Security cards. It would seem that that would be probably the easiest question for someone to respond to. When someone calls up and asks the question, "how do I get a Social Security card?" it would seem that there would be a fairly standard response as to how to do it. What seems to be the type of problems you're seeing there?

Mr. DELFICO. Well, the main problem, Senator, is that we made an accuracy check based on the rules that Social Security has developed, their criteria for determining whether the calls are correct or not. Using their criteria the person who answers the phone has to tell the caller all the proofs that are needed for obtaining a Social Security card. I think there are over 12 proofs of citizenship. In the cases we observed, all the proofs were not cited. So according to SSA criteria this is considered an error.

Now, there is a case to be made for the Social Security Administration's point that these proofs are also included in the application for a card, so when the application is mailed to someone, they can see and read the proofs. So that is where the dispute came in. SSA says that TSR's have to list the proofs and then talk to the caller about them.

Senator BREAUX. You seem like you're emphasizing the fact that we have an insufficient number of people manning the phones. What about the quality or competence, I guess, of the people who are being assigned to do the telephone work? Sometimes in some bureaucracies or perhaps even in some private offices, the person assigned to the telephone duty is not the most senior person in the office, it's generally the person who just got the job two weeks ago, and they put them out and start saying, "all right, you've got phone duty." It's probably the least glamorous job in most offices.

Did we find that? I mean, are the more senior people and the better caseworkers not handling the phones, and the more junior

people, "all right, you've got phone duty," which nobody likes very much, although it's a key position?

Mr. DELFICO. I think it's mixed. I think you have, in the newer systems, many inexperienced people that answer the phones. In the older systems, you have people who have experience.

Tom, do you have any comment?

Mr. SMITH. Yes, there's quite a difference in the error rate. The four megasites that SSA has put on board just in the last year have a lot of people with very little experience. As they get better and get more experienced, we fully expect that their error rate will be down to the level of the more experienced TSC's.

Again, a big problem with this is that a lot of this system expanded very quickly. Getting the staff on board and getting them trained is going to take some time. It's not an easy thing to do, and it's just going to require the staff getting a lot more experience.

Senator BREAUX. So you're saying that it seems that there is some indication that the people who are actually doing the phones are less than the best in the office, and, in fact, maybe perhaps more junior people are doing it?

Mr. SMITH. I believe they're lower graded people than the staff in the field offices, but we have had TSC's around for 15 years or so. Now, if you look at how well they perform, they do a lot better simply because they're more experienced. Again, the agency increased staff for the 800 system by about 1,000 over the last year. It takes 2 months to train them, there's a mentoring process, and it simply takes time for these people to get up to speed. It's a very complicated program.

Senator BRADLEY. What's the average length of service?

Mr. SMITH. Well, I would imagine for the 1,000 people that they hired just recently, it's obviously very short. In the more experienced TSC's, I would guess it would be 10 to 15 years experience, and that's just a guess.

Senator BREAUX. It's interesting, Mr. Chairman, that the Commissioner will cite, I guess, some poll numbers that they have, and if all of our candidates had these poll numbers as high as that, man, we'd have some great candidates out there. I mean, 82 percent approval, 97 percent saying they're getting courteous service, 84 percent satisfaction rates, 83 percent of the respondents in a national survey saying the service is good or very good.

You know, there are statistics, and there are statistics, and there are, you know, as the saying goes, the numbers they're going to tell us are extremely high, and the numbers that you show in your GAO survey don't really indicate that. Any kind of an explanation as to why the wide difference?

Mr. DELFICO. Well, the main difference is the way SSA calculates their error rates for payment and benefits errors in the error rate that is publicized. The base for the rates is all calls that come into Social Security. We believe the base should be all calls with the potential for payment and benefit errors. It would bring the accuracy rate down quite a bit.

It's much like calculating infant mortality statistics. If you asked someone in the District of Columbia what is its infant mortality rate and, for example, they take the number of infants that died in the District of Columbia and divide it by the total birth rate in the

United States, rather than the birth rate in the District of Columbia, this would be similar to the kind of issue we're bringing up.

Senator BREAUX. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Breaux, thank you.

I think Senator Domenici has a short statement. I know that Senator Cohen actually was here before Senator Domenici.

Can you two fellows referee to see which goes first over there?

STATEMENT OF SENATOR PETE DOMENICI

Senator DOMENICI. I probably won't be here to impose on my friend from Maine very long this morning, but let me just say, in particular, Senator Breaux, I'd like to just share this with you. In New Mexico, in the city of Albuquerque, we have the typical Social Security office as we have all had in thousands of offices around the United States.

Let me just tell you, I have had a chance to visit that office with the entire staff present. I did it 3 years ago, and I did it by coincidence 4 weeks ago. The difference is absolutely incredible. The spirit and the professionalism, the enthusiasm—I mean, if I had to put it on a thermometer, I would say that it went off the thermometer in terms of comparison to before. I think that has to do with the leadership that we've got.

I notice, Joe, I don't have trouble with your name, because it's sort of like mine. I notice he's nodding his head affirmatively, which the record wouldn't have reflected, but am I interpreting you correctly?

Mr. DELFICO. Yes, you are, Senator.

Senator DOMENICI. Second, we happen to have one of these megacenters for the 800 number. I have had the opportunity to visit that, Mr. Chairman, and let me suggest two things. If we are going to serve 29 million American Social Security recipients and growing, there is no question that we are going to have to use modern means of communication to help them, and it's absolutely absurd to think that we are not going to do that and that should not be our commitment.

For seniors to be able to get on the phone and get the answers is absolutely where we have to go. To have to have one of those in each little community with telephone operators is certainly not consistent with today's technology. If seniors want to go to their local Social Security office because that is what they like, we have committed that that will be available to them. Is that not right, Mr. Chairman? If they want to get in their car, have their friend take them, they can go do that.

But let me tell you, the 800 center in Albuquerque, NM, started from zero, so you've got to train people. You've got to get it going. I went through it, and I had about four or five meetings. It is amazing. Let me tell you what they're able to do.

Because there are many seniors that don't speak English well, that center has the capability of instantly giving a Hispanic-American who wants to speak in Spanish an operator who speaks Spanish, and I happened to walk through, and I watched courses in a small room where a teacher, but he was one of them, was teaching the parlance of Social Security to people who already understood

Spanish that worked for him but was trying to explain the words of art of Social Security, because it's not so easy to convert the words we use into the average Spanish language of the household.

I am convinced that there are problems, but I am also convinced that we're on the right track. Clearly, an agency as large as this in a changing time is going to run into a lot of problems. I am here to just say this lady running this agency has more potential for fixing whatever is broken than anyone I've seen, and I came because I wanted to make sure that I got my two cents in that we ought to work with her, because I think she has the capability and the personal rapport necessary to build this into an exemplary agency, and I thank you for the time.

[The prepared statement of Senator Domenici follows:]

STATEMENT BY SENATOR PETE V. DOMENICI

SPECIAL COMMITTEE ON AGING HEARING:
"NEW DIRECTIONS FOR THE SOCIAL SECURITY ADMINISTRATION:
REVITALIZING SERVICE TO THE PUBLIC"

MAY 18, 1990

MR. CHAIRMAN, I THANK YOU FOR HOLDING TODAY'S HEARING TO REVIEW THE QUALITY OF SERVICES BEING RENDERED BY THE SOCIAL SECURITY ADMINISTRATION (SSA). OUR SOCIAL SECURITY SYSTEM PROVIDES A CRITICAL, IF RATHER COMPLICATED, STRUCTURE OF SUPPORT FOR AMERICA'S OLDER AND DISABLED POPULATIONS. THE SSA HAS A TREMENDOUSLY IMPORTANT RESPONSIBILITY TO MAKE THE SYSTEM UNDERSTANDABLE AND SENSITIVE TO THE PEOPLE IT SERVES.

I AM VERY PLEASED TO SEE HERE TODAY COMMISSIONER GWENDOLYN KING, WHO HAS BEEN A LONG TIME FRIEND OF MINE, AND I KNOW OF HER STRONG PERSONAL COMMITMENT TO ASSURING THE SSA PROVIDES FIRST-RATE SERVICE.

OUR HEARING TODAY WILL EXAMINE A NUMBER OF SERVICE DELIVERY PROBLEMS AT THE SSA, SEVERAL OF WHICH HAVE BEEN THE SUBJECT OF PREVIOUS AGING COMMITTEE HEARINGS. WHILE PROVIDING AN IMPORTANT NEW SERVICE OPTION FOR BENEFICIARIES, THE 800-TELEPHONE NUMBER SERVICE REMAINS A CONCERN FOR MANY OLDER AMERICANS.

ALSO, OF PARTICULAR CONCERN TO MY CONSTITUENTS IN NEW MEXICO, IS THE ADMINISTRATION OF HEARINGS ON SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME CLAIMS. THE APPEALS PROCESS IS TAKING A GREAT DEAL OF TIME TO SCHEDULE HEARINGS AND ISSUE JUDGEMENTS, AND I UNDERSTAND SOME OF THE OVERFLOW OF CASES ARE BEING REFERRED TO SSA OFFICES IN OTHER STATES.

THIS IS A TREMENDOUS HARDSHIP FOR MANY OF MY CONSTITUENTS. EVEN THOUGH SOCIAL SECURITY WAS NOT INTENDED AS A FULL RETIREMENT OR DISABILITY PROGRAM, MOST OF THE PEOPLE COMING TO MY OFFICES HAVE LITTLE OR NO OTHER INCOME UPON WHICH TO DEPEND, AND MUST WAIT MANY MONTHS FOR THEIR CLAIMS TO BE APPROVED. I HOPE THIS PROBLEM CAN BE RESOLVED SOON.

THE MANY PROBLEMS WE WILL LOOK AT TODAY ARE SERIOUS AND MUST BE ADDRESSED. HOWEVER, I WOULD LIKE TO MENTION BRIEFLY THAT THE SSA OFFICES IN NEW MEXICO HAVE BEEN VERY RESPONSIVE TO INQUIRIES MY OFFICES HAVE MADE ON BEHALF OF MY CONSTITUENTS, AND ARE WORKING HARD TO IMPROVE THEIR SERVICES.

IN PARTICULAR, THE ALBUQUERQUE DISTRICT SSA OFFICE IS PUTTING TOGETHER A GROUP OF OUTSIDE, COMMUNITY REPRESENTATIVES TO GET FEEDBACK FROM THE PUBLIC ON SSA'S SERVICES AND HOW THOSE SERVICES CAN BE IMPROVED.

I HAVE ALSO RECEIVED VERY POSITIVE FEEDBACK ON COMMISSIONER KING AND HER EFFORTS FROM SSA AND SOCIAL SECURITY'S TELESERVICE CENTER EMPLOYEES. I WANT COMMISSIONER KING TO KNOW I APPRECIATE HER EFFORTS.

ANOTHER ISSUE I WOULD LIKE TO MENTION TODAY IS THE SUPREME COURT'S RECENT RULING IN THE ZEBLEY CASE, REGARDING THE ELIGIBILITY OF DISABLED CHILDREN FOR SUPPLEMENTAL SECURITY INCOME.

MR. CHAIRMAN, THIS RULING EFFECTIVELY INDICATES THAT SSA MUST PROVIDE ELIGIBILITY CRITERIA FOR DISABLED CHILDREN, A VERY DIFFICULT, COMPLICATED, AND SENSITIVE AREA. THOUGH MUCH REMAINS TO BE SETTLED LEGALLY, IT IS CLEAR THAT SSA WILL NEED TO REVIEW MANY CASES AND PAY RETROACTIVE BENEFITS. I WOULD BE VERY INTERESTED IN COMMISSIONER KING'S THOUGHTS ON THIS SITUATION, THE WORKLOAD IT WILL IMPOSE ON SSA, AND HER CURRENT PLANS TO DEAL WITH THIS.

The CHAIRMAN. Senator Domenici, thank you.
Senator Cohen.

STATEMENT OF SENATOR WILLIAM COHEN

Senator COHEN. Thank you, Mr. Chairman.

Mr. Delfico, I have trouble with Senator Domenici's name, so let me begin by perhaps offering just a mild modification of what my colleague from New Mexico has said. We in the Republican party have always believed that you get a better form of government when that government is closest to the people. That has always been one of the basic precepts in our party, and I think it's shared by those who are here from the Democratic party as well.

One of the facets of this argument is that the more centralized government becomes, the more remote it tends to become from the people and the more alienation they tend to feel toward the government itself. As we move into the 21st century and we rely more and more on technology, we have to have some blend of the human element as well as the technological achievements.

We are, in fact, doubling our aging population very rapidly, but to rely upon computerized technology to deal with people problems, I think, is a mistake. Back in the beginning of the 1980's, and the Chairman and Senator Heinz will verify this, we found that we had shifted from a one-on-one relationship with the Social Security Administration employees for assessing disability payments.

We found a computerized system, and, as a result, a lot of individuals were simply kicked out of the system because they fit the computerized profile of an individual who is not disabled. We found a tremendous error rate—which would have been corrected had there been some initial face-to-face contact.

While we move toward technology and its wonders, we have to remember and, I think, be mindful that there has to be a human face behind that computer. I was interested to hear my colleague from Louisiana say that they have problems with the 1-800 number. Apparently, Maine callers have been ending up in New Orleans, because we have the converse of the problem. Someone from Maine gets an employee who hails from New Orleans, and, once we get accustomed to the Cajun accent, then we have a problem when the second call goes to a different employee in a different part of the country.

The caller tends not to get the same person on the other end of the phone for a followup question on the same problem and that exacerbates the problem even more. The caller may end up in Des Moines one day and New Orleans the next leaving that individual with a sense that no one is listening to this problem because he never gets the same employee.

I would like to at least get your comments on your statement that the staff at the Social Security Administration is insufficient to man the 800 number, and if these calls went to the field offices, I assume the same thing would take place, and they would be swamped as well.

Mr. DELFICO. That's correct. I think that's a good observation, Senator.

Senator COHEN. In which case, if the SSA is going to hire more employees, should additional staff go to the 800 number or to more field representatives? I know Senator Pryor would like to have a local option: an 800 number for those who want to use it and the option to call the local office. Well, that will take more personnel as well.

Has GAO done an analysis of the allocation of employees between the 800 service and field representatives?

Mr. DELFICO. We haven't done the analysis recently, but in 1988 we did support the establishment of the 800 number, but we pushed for going at a slower pace so that you could work out some of the wrinkles. I think as far as the increased staff is concerned our position has always been to take a look at the staff you now have on board, see if you can reallocate some of the staff to areas that need it, and then allocate it, at least in the short run, to the 800 system, if they're in trouble.

Whenever there's a peak period, if there's a change in law that SSA has no control over, and call volumes increase, SSA has to shuffle people around. So we would start off there. I think the question of whether SSA should staff the field offices versus the 800 number really needs to be looked into from a resource and service standpoint. It's got pros and cons to it.

Senator COHEN. Let me give you an example. One of the field representatives, I think it's Mary O'Malley, who is on Panel II, is going to testify that a man called her office who was about to be evicted, and his next call came from a homeless shelter. So where would you get the greatest service for an individual like that? Someone about to be put out into the street, and the next call comes from a homeless shelter to an 800 number? Do you get a better form of service from a local office, or would you get it from the 800 number?

Mr. DELFICO. That's something we have to work through. I think there's great interest in having people call the local offices, and the sentiment that I've heard today and I've heard over the past year and a half has not diminished at all.

Senator COHEN. One of the recommendations of Commissioner King would be to encourage the public to call between 7 a.m. and 9 a.m. Won't this simply shift the peak hours?

Mr. DELFICO. It will shift the peak hours, but you'd have more people available to answer phones. It would be a rolling system, where as one part of the country goes out, another part of the country could come in, so I think you may have more people available to answer phones.

Mr. SMITH. Senator, I believe it should tend to flatten out the peaks, and I think that's the intent of the proposal. Instead of calling at noon or during the middle of the day, if you encourage people to call at less busy times, where we have plenty of capacity at that point, then that will tend to flatten out the peaks, and they'll get better service.

Senator COHEN. So if people start getting better service between 7:00 and 9:00, do you think they will start calling at noon thereafter?

Mr. DELFICO. I'm sorry, do I think they'll what?

Senator COHEN. In other words, if they're getting better service calling from 7:00 to 9:00, won't the run then be on the 7:00 to 9:00?

Mr. DELFICO. Possibly in the very long run. I don't think that's anything we'd have to worry about in the short term.

Senator COHEN. You also mentioned the problem with the catastrophic coverage change costing the country about $50 million. What would it have cost to change the computer software?

Mr. DELFICO. That's a good question. We've been asking the agency to change the computer software now for a good 10 years.

Do you have any estimate of what that would be, Tom?

Mr. JURKIEWICZ. Senator Cohen, that's a hard question for me to answer, because we have not received a good set of figures from SSA as to what it would cost to modernize the software to such a comparison.

Mr. DELFICO. It's probably more than $45 million or $50 million.

Mr. JURKIEWICZ. To date, SSA has spent over $634 million trying to bring its system up to what SSA views as the point, where it can handle the agency's workload. SSA is now trying to estimate what resources it needs in terms of computer capacity and redesigned software, so it can go in the future.

Senator COHEN. I think it's been unfortunate to say if the Administration had only had computer software, they could have saved the taxpayer $50 million without any indication as to how many millions or hundreds of millions it will cost to update that computer software.

Just a final point, Mr. Chairman, and I'll move on. I know you want to move on, and I have to move out, but this is an agency which has had very, very serious morale problems that I assume Commissioner King will want to comment upon, but it's a large bureaucracy.

I suspect that they've had insufficient employees as it is to handle the growing aging population. The SSA has come under a lot of criticism from those of us sitting on this Committee since the early 1980's because of the way in which the programs have been handled with decisions being made at the top level. The Administration told the Social Security Administration to get a percentage of the people off the disability rolls. Then the Social Security Administration comes under public attack for the way in which these cases were handled. I assume that all of that has contributed to the Social Security Administration's problems with attrition, large caseloads, and inadequate compensation. These problems affect one of the most important agencies in the Government. Solving this situation is going to take more than simply adding people to answer an 800 number.

It's going to take a lot more effort on the part of the Commissioner and a lot more money, I suspect, to run this particular agency, so I think that we ought not to in any way delude ourselves that by changing the efficiency of the 1-800 number we're going to deal with the vast problems that exist at this agency. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Cohen.

The Internal Revenue Service is having some of the same problems with their computer system that we find in the Social Securi-

ty Administration. It is not a new problem, but one that is ongoing. It is one we certainly must meet.

Let me ask Senator Heinz if he has further questions.

Senator HEINZ. No, Mr. Chairman, I don't.

The CHAIRMAN. I want to thank this panel on behalf of all the members of the Committee, and, by the way, we have had a 95 percent attendance record this morning, and that indicates the degree of interest in Social Security Service delivery problems. If these Senators were not hearing from their constituents about these problems. they might have something else better to do, but they are concerned about them, and we're all trying to find that solution.

Senator HEINZ. Mr. Chairman, it also could be that we want to get our phone calls returned at the appropriate time.

The CHAIRMAN. I think that's a good idea. Senator Bradley was here earlier, for example, and he has left his statement, and I will place that at this point in the record.

[The prepared statement of Senator Bradley, along with the statements of Senators Johnston, Reid, Pressler, Grassley, and Levin, follows:]

STATEMENT BY SENATOR BILL BRADLEY FOR

SPECIAL COMMITTEE ON AGING

HEARING ON

NEW DIRECTIONS FOR SSA: REVITALIZING

SERVICE TO THE PUBLIC

Friday May 18,1990

Mr. Chairman, I am pleased you have called this hearing on oversight of the Social Security Administration. We are all aware that problems exist within the Social Security Administration; staff shortages, and the failings of the 800-number are just two of the topics that will be discussed at today's hearing. Facts, figures, and opinions will be offered today to show that the SSA is either near collapse or is healthy and improving. While the truth is somewhere in between, we need to ensure that SSA operations are improved, because, many people, particularly the elderly and disabled, rely on Social Security for income.

The 800-number is a good example of the problems that we need to remedy. The GAO today will release a survey that ascertains the accuracy rate for the telephone service. The survey found that callers to the 800-number often get busy signals, and the callers who manage to get through receive the wrong answer 43.1% percent of the time. Unfortunately, beneficiaries who are unable to obtain assistance or are given

the wrong information, are unable to turn to their local offices because these offices are currently understaffed.

I know that the current Commissioner is working to improve a system that has been weakened by prior neglect. Mrs. King's efforts are admirable and she should continue to attempt to reduce the errors that occur within the SSA, but more needs to be done.

It is very important for the local Social Security offices to have sufficient staff support. In today's world, computerization and technical modernization are the norm. The SSA formerly believed that technical improvements would resolve many of its problems, and allow the SSA to sizeably reduce its work force. It is clear that technology is not the only answer. We need efficient local offices to ensure that our constituents receive the service they need and deserve. It is time that we improve local assistance to Social Security beneficiaries, so they may receive prompt assistance and correct information.

STATEMENT OF SENATOR J. BENNETT JOHNSTON

"NEW DIRECTIONS FOR SSA: REVITALIZING SERVICE TO THE PUBLIC."

MAY 18, 1990

Mr. Chairman, I am very pleased that the Senate Aging Committee is holding this oversight hearing on the Social Security Administration (SSA). The Social Security Administration has a very special mandate to provide assistance to our nation's poor and elderly and it generally does a good job. However, as with any organization of this size there are problems and these problems directly affect our most vulnerable citizens. I would like to briefly mention two problems that are affecting service delivery in my home state of Louisiana.

First, it is evident that the steps that were taken to downsize the Social Security Administration have had a tremendous impact upon the timeliness and efficiency of the staff in the local field offices throughout Louisiana. The loss of staff has caused increased waiting times in field offices and decreased phone service, outreach efforts to the aged and disabled poor and contact station service for those living in rural areas. Consequently, the quality of service and accuracy of work products have suffered greatly. Staffing cuts have also depleted the clerical ranks, thus delaying completion of post hearing work. In many cases it now takes 6-12 months to finalize a claim. Furthermore, while there are three offices of hearings and appeals in Louisiana (Shreveport, New Orleans and Alexandria), scheduled hearings have been postponed and delayed due to the lack of resources needed to conduct the number of appeals received.

Second, the traumatic and inflexible conversion to the national 800 telephone number system has also created problems with in the field offices in providing quality service to the public. Many of my constituents have complained that the 800 number operators provide misinformation and are not familiar with individual cases. Therefore they cannot answer claim specific questions. My constituents find this frustrating. People who call Social Security assume that the information they receive is correct. They could very easily be foregoing benefits they are entitled to or be missing important deadlines for appeals and/or benefit applications due to the information they receive from the 800 number. This is resulting in a loss of public confidence in the SSA. However, I am very pleased that my colleague and distinguished Chairman of the Senate Aging Committee, Senator Pryor, has introduced legislation of which I am a cosponsor to address the problems surrounding the 800 number.

These and many other problems that have been expressed need to be carefully reviewed. I hope that the Social Security Administration and the Congress will be able to work together in resolving the existing problems in order to bring bring about new directions in meeting the needs of older Americans.

OPENING STATEMENT

SENATOR HARRY REID

MAY 18, 1990

New Directions for the Social Security Administration

Mr. Chairman, I would like to thank you for holding this hearing today regarding the service the Social Security Administration offers our nation's elderly. I would like to thank all the witnesses who have come today, and would like to welcome Gwendolyn King, ou

Commissioner of Social Security.

Ms. King has taken on a monumental task, that of turning around the Social Security Administration.

Ms. King's hard work has earned her praise from both the administration and beneficiary groups--not an easy feat.

My staff in Nevada have had a great deal of experience working with the Social Security Administration on behalf of my constituents. Some of this interaction has been pleasant, and unfortunately, sometimes it has not.

As any large, bureaucratic organization, the Social Security

Administration has not been without its problems. But when budgets are slashed and staffs are cut, you're heading for disaster. Before Ms. King stepped in, that is exactly where the Social Security Administration was going. Ms. King has certainly made progress with the administration. I'd like to point out, for her benefit, a couple instances where further improvements could be made.

A Nevada man, a construction worker, could no longer work because he could not control his bowels. He was denied disability

benefits by the Social Security Administration. When he asked why his benefits were denied, he was told he could still work--that he could just wear Pampers.

Another Nevada man suffered from emphysema, osteoarthritis, circulation problems, and angina attacks. For two years he was denied social security disability benefits before an administrative law judge overturned Social Security's decision. 92 percent of Social Security denials are overturned by administrative law judges. If Social Security ends up

paying 92 percent of the cases it denies, perhaps the criteria used to evaluate cases could stand to be re-assessed.

It is a tragedy that persons in fragile health, the elderly, or the disabled should be treated poorly. I understand that Ms. King has a long haul before her. We, here in the Congress, want her to know that we are ready and willing to assist her enormous task in any way that we can.

Thank you, again, Mr. Chairman, for holding this hearing.

SENATE SELECT COMMITTEE ON AGING
STATEMENT BY
U.S. SENATOR LARRY PRESSLER
MAY 18, 1990

MR. CHAIRMAN: Thank you for calling this hearing to address issues of importance to Social Security beneficiaries. I know that several South Dakotans have had problems with the 800-number system. I have shared those concerns with Commissioner King. A hearing such as this is important to examine all the problems so solutions can be developed that help all older Americans.

People appreciate personal face to face contact over telephone contacts when transacting business. That has been lost with the 800-number system. Answers provided maybe the same but the trust relationship that an individual develops with another person is not possible. That trust relationship is very important to older people.

I certainly favor returning to a system whereby older people can contact their local Social Security office for information, advice and counsel. When people have need for the assistance of an agency it is important that they be able to access that agency immediately. The 800-number system has reduced the immediate contact.

People have complained that the 800-number is always busy. The older person gives up and asks a neighbor or family member to dial the number. Even then some people have stated that it took nearly eight hours to reach a Social Security worker via phone. Another problem is that many of the workers have a dialect and older people have a hard time understanding them. People have hung up because they cannot understand the person on the other end of the telephone line.

We must be sensitive to the needs of those who are older, not able to hear as well as they used to and desire the personal contact with another individual in business transactions. The services provided through the Social Security system ought to be personal and address individual needs as much as possible.

I appreciate the opportunity to share the concerns I have heard from my constituents. I support changes that will personalize the relationship between Social Security employees and older Americans.

STATEMENT OF SENATOR CHARLES E. GRASSLEY AT A HEARING OF THE SENATE SPECIAL COMMITTEE ON AGING, FRIDAY, MAY 18, 1990

THANK YOU, MR. CHAIRMAN.

I DO THINK THAT IT IS VERY IMPORTANT FOR THIS COMMITTEE TO HAVE PERIODIC OVERSIGHT HEARINGS WITH RESPECT TO THE SERVICES OFFERED BY ONE OF OUR MOST IMPORTANT AGENCIES.

SOCIAL SECURITY RETIREMENT BENEFITS, DISABILITY BENEFITS, AND SUPPLEMENTAL SECURITY INCOME BENEFITS ARE CERTAINLY CRITICALLY IMPORTANT FOR MANY OF OUR MOST VULNERABLE CITIZENS.

THUS, THE ABILITY OF THOSE WHO ARE DEPENDENT ON THESE PROGRAMS TO GAIN ACCESS TO SOCIAL SECURITY STAFF, AND THE ABILITY OF SOCIAL SECURITY STAFF TO PROVIDE INFORMATION, OR TO PROCESS BENEFITS OR ADJUDICATE APPEALS IN A TIMELY AND KNOWLEDGEABLE WAY IS VERY, VERY IMPORTANT.

THERE DOES APPEAR TO BE A QUESTION AS TO WHETHER THE LOSS OF SOME 17,000 STAFF AT THE SOCIAL SECURITY ADMINISTRATION OVER THE LAST SEVERAL YEARS THREATENS THE ABILITY OF THE SOCIAL SECURITY ADMINISTRATION TO KEEP UP WITH THE DEMANDS ON IT OF BENEFICIARIES.

IT IS ONE THING WHEN ONE HEARS THIS FROM FORMER EMPLOYEES WHO MAY HAVE OTHER REASONS FOR BEING UNHAPPY WITH AGENCY MANAGEMENT. BUT IT IS QUITE ANOTHER THING WHEN A WARNING TO THIS EFFECT IS ISSUED BY A VERY SENIOR, LONG TIME OFFICIAL OF THE AGENCY WITH A REPUTATION FOR HIGH COMPETENCE, AS RECENTLY WAS THE CASE.

ONE OF MY OWN DISTRICT OFFICES RECENTLY INFORMED ME THAT THE TWO SOCIAL SECURITY HEARINGS AND APPEALS OFFICES WITH WHICH THEY DEAL ARE SERIOUSLY UNDERSTAFFED. THIS APPARENTLY HAS HAD AN EFFECT ON THE ABILITY OF THESE OFFICES TO PROCESS CLAIMS. ACCORDING TO MY DISTRICT OFFICE, FOR DISABILITY CASES IT NOW TAKES ABOUT THREE MONTHS FOR A PERSON TO HAVE A HEARING, THREE TO FOUR MONTHS FOR A FINAL DECISION TO BE MADE AND THE RESULT TYPED UP, AND ONE TO TWO MONTHS UNTIL PAYMENT REACHES THE CLAIMANT. THIS IS A TOTAL OF FROM SEVEN TO NINE MONTHS. THE STAFF OF THESE HEARINGS AND APPEALS OFFICES BELIEVE THAT THEY CAN'T DO THIS FASTER BECAUSE THEY ARE NOT ADEQUATELY STAFFED.

ANOTHER ISSUE I AM INTERESTED IN HEARING MORE ABOUT TODAY IS HOW THE 800 NUMBER IS WORKING. IT SEEMS TO ME THAT IT IS IMPORTANT FOR THOSE WHO ARE DEPENDENT ON THE SOCIAL SECURITY ADMINISTRATION TO BE ABLE TO GET IN TOUCH WITH AGENCY STAFF WITHOUT DIFFICULTY. THERE SEEMS TO BE SOME QUESTION ABOUT WHETHER IT IS EASY TO REACH AGENCY STAFF ON THE 800 NUMBER, AND ABOUT WHETHER THE ANSWERS PEOPLE GET WHEN THEY DO GET THROUGH ARE ACCURATE. IF WE ARE GOING TO HAVE SUCH A SYSTEM, WE MUST INSIST THAT IT WORKS WELL.

MY OWN VIEW IS THAT BENEFICIARIES OUGHT TO HAVE A CHOICE AS TO WHETHER THEY WANT TO USE AN 800 NUMBER OR TO PERSONALLY VISIT A SOCIAL SECURITY FIELD OFFICE.

IN ANY CASE, MR. CHAIRMAN, I LOOK FORWARD TO THE TESTIMONY OF THE WITNESSES.

Statement of Senator Carl Levin
before
The Senate Special Committee on Aging

Hearing on SSA Services
May 18, 1990

As Chairman of the Subcommittee on Oversight of Government Management of the Governmental Affairs Committee, I have been involved in management issues of the Social Security Administration (SSA) for a number of years. The Subcommittee was deeply involved in the congressional investigation and legislation which resulted from SSA's seriously flawed program for conducting Social Security Disability reviews in 1981. Thousands of disabled individuals who had a legitimate and pressing need for the support provided by the Social Security Disability program they had participated in were improperly thrown off the rolls and forced to endure financial and emotional hardship to regain their rightful benefits.

That situation in 1981 was a nightmare and one we intended to lay to rest with passage of the reform legislation in 1984. But those reforms as well as the delivery of other critical SSA benefits like SSI and Social Security are being jeopardized by severe problems with insufficient personnel and inadequate management at SSA. As a result of the policies in place the last 6 years, I am very concerned that the integrity of SSA programs is, again, being sacrificed in the name of efficiency, leaving SSA recipients to pay the price.

In April of last year, then-Commissioner of Social Security Dorcas Hardy stated to this committee, "One of my highest priorities as Commissioner has been to maintain and improve SSA's record for providing high-quality public service." Commissoner Hardy's method to accomplish this goal was to increase agency efficiency through automation and reliance on an 800-number telephone system and, at the same time, to gradually reduce SSA staff through a program called "downsizing". On paper, such a plan sounds reasonable -- at a time when agencies are being asked to accomplish more and more with less and less. And, in fact, during the six-year implementation of this plan, Commissioner Hardy and other high-level officials at SSA continued to sing the praises of downsizing and automation as an effective way to serve the public and bring SSA into the 21st Century. Staffing cuts were to take place through attrition, not lay-offs or terminations, and increased emphasis on computer automated equipment and the 800-number service was to be phased in gradually to allow for adjustment by the staff and the public.

In the real world, however, things have been very different. In the real world there have been growing complaints regarding the effect staff cuts and increased use of the 800-number are having on service delivery and staff morale. In response to complaints from my offices in Michigan, I directed a member of the Oversight Subcommittee staff to travel to Michigan to gain a first-hand account of the effects of continued SSA downsizing and automation. I wanted to hear what these individuals who do the frontline, day-to-day work for SSA had to say about conditions in SSA offices and the Teleservice centers.

Over a 3-day period, that staff person met with SSA managers, Administrative Law Judges, legal representatives of SSA beneficiaries and employee representatives -- a good cross-section of those involved in administering, and those affected by, SSA policies. She learned a lot.

Staffing losses have been anything but well-planned. Although SSA's stated goal was to reduce staff 21% by 1990, Michigan experienced a 20% drop in staffing as of December 1988, with further decreases expected. Also, even the 21% was not evenly distributed. Some cities such as the Flint downtown office, Ann Arbor, Jackson, and three Detroit offices have experienced cuts of 25% to 33% as of December 1988.

Moreover, there are real problems with which staff were cut. Some offices saw a dramatic reduction in clerical personnel; others saw a dramatic reduction in professional personnel, but nobody seems to be paying attention to which job categories are affected by the cuts. In March 1985, the Detroit area had 52 employees designated as Data Review Technicians; at the end of 1988 there was one. Data Review Technicians input data regarding claims and check the accuracy of data being fed into SSA computers. I think most of us agree that a 98% drop is a drastic cut.

On the average each area in Michigan -- Detroit, Eastern Michgan and West/Central/Northern Michigan -- lost 50 clerical support staff and 5 field representatives. Field representatives are responsible for outreach efforts and maintaining personal contacts with those individuals who are physically or mentally unable to come into the district office. These averages have been felt differently by each field office. One office may have 2 field representatives while another office may have none. My staff was told just the other day that there is no field representative for the Muskegon SSA office. This office services a population of approximately 250,000. Also, field representatives used to visit what are known as contact stations in regions that were fairly distant from the nearest district office on a weekly basis. Individuals who had questions and or other business with SSA could count on a field rep. visiting their area once a week to assist them. It is my understanding that these visits in many areas have been cut to once a month -- if a field representative is available at all.

There are similar problems with claims representatives. In most offices, we've been told, there is only one clerical support for every four to six claims representatives. We've been told that is simply inadequate for the work that is required. Much of the time the claims representatives are required to do clerical tasks, thus cutting back on their time to do substantive work. In April 1988 in the Lansing District office, there were only 2 clerical staffers for 12 claims representatives.

One Michigan claims representative had this to say to my Subcommittee staff:

> "Claims representatives in T2 unit estimate they spend about 30-40% of their non-interviewing time doing clerical work. With a ratio of 1 clerical to 6 claims reps., we basically have to do everything ourselves to process that claim. It is not cost effective to have claims representatives spending so much of their day doing clerical work that a GS4 should be doing. Claims reps. spend a lot of their time associating mail, copying domcuments, making out envelopes to return documents, filing, posting mail to the claims record, typing their own letters and sending out forms. These are all duties that could be handled by lower-paid clericals, thus relieving the claims reps to do actual claims processing and decision-making which is what they are really getting paid to do."

In 1989, SSA released a draft report of the findings from SSA's own Onsite Process Review Initiative. In this initiative, SSA sent out seven teams to various SSA offices throughout the country to determine just how these offices were functioning. These teams also surveyed the views of the public at these offices. 80% of those surveyed indicated that "face-to-face service" is very important. 80% also indicated that, "SSA representative completing forms" is very important. 89% indicated that a "nonhurried, complete interview" is very important. These are the things that the public values. Yet these are the very things that the recent SSA management initiatives are striving to eliminate.

As it now stands, claims representatives and employees in similar positions are oftentimes left to be a "super" SSA employee -- one who can do all the filing, copying, telephone answering, claims maintenance and still manage to greet those in need with a smile and effective assistance. I do not doubt that many employees try to achieve this goal but the end result is low staff morale and less effective service delivery.

My staff met with SSA managers in Michigan to discuss their assessment of service delivery and staffing levels. The managers were reluctant to speak candidly, since they are part of the SSA management team and in the past have been warned about public criticsm of SSA policies. But, one individual, who had been with SSA for a number of years, said that she was going to speak up because she had been around a long time and was ready to retire. She said she was very concerned about her ability and that of her staff to do the job with which they were charged. In the face of increased and uneven staff cuts her employees, or what was left, were doing the best they could but it was bad.

I could not end my testimony without touching on the infamous 800-number currently in place throughout the country. Mr. Chairman, you have done a great job in bringing the failures of this system to the attention of Congress and SSA, and I am pleased to be a cosponor of your most recent legislation to restore the option to SSA beneficiaries of contacting their own local district office directly rather than being forced into calling the 800-number only.

Like downsizing, the 800-number is an innovation that theoretically could be very useful. In the survey I mentioned earlier done during the Process Review Initiative, 83% of those surveyed indicated that the "availability of toll free telephone service" is very important. The utilization of a nationwide, toll free service is a good idea if used in an appropriate manner. But, let me again turn to my own State of Michigan to illustrate the reality of the toll free service.

My subcommittee staff interviewed a young woman employed at the Detroit Teleservice Center. This woman stated that phone operators at the TSC are instructed to actively discourage individuals from making any direct contact with their district office. Phone operators are not to give out district office phone numbers, and they are to try and keep their calls to less than three minutes. Oftentimes, training for the operators is strong in one area such as general SSA retirement benefits, but weak in areas such as SSI or SSDI. It appears that individuals most in need of accurate information and, perhaps, more time to convey their needs and or problems would be at an obvious disadvantage in this type of atmosphere.

Legal representatives of Michigan SSA beneficiaries also had serious complaints regarding the 800-number service. These individuals stated that filing dates and deadlines are missed, when beneficiaries get incorrect information or the record of their phone call is lost. Several of the individuals described situations where a claimant missed a deadline, then was unable to prove they or their representative had ever called the TSC. No receipts or confirmation numbers are sent out after an individual calls the phone center, so if the record is lost on the computer or was never inputed correctly, the claimant has no proof that he or she did try to follow the guidelines given.

Establishing a record of contact is something that is an obvious requirement if this 800-number system is going to be the backbone of SSA's contact with the public.

Mr. Chairman, you have been persistent in your investigation of these issues and have continued to put pressure on SSA and the Administration to acknowledge and rectify the damage done through the "downsizing" and automation policies pursued by SSA for the last 6 years. It appears that the Social Security Administration and its new Commissioner, Gwendolyn King, as evidenced by the findings publicized in the 1989 Process Review Initiative are now more prepared to admit the problems SSA is experiencing and act to alleviate them. I have no doubt this is due to the work of individuals such as yourself, this committee and members of the House involved in this issue.

I would like to thank the committee for the opportunity to testify today. I would also like to commend you for doing such important work in exposing and addressing the troubling erosion in the ability of SSA to deliver quality service to our nation's elderly, disabled, and poor.

The CHAIRMAN. We want to thank our panel, and now we will call Commissioner King.

Mr. DELFICO. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, gentlemen.

Commissioner King, it is my understanding, and I was not aware of this, that this is actually your first formal appearance before as Senator Breaux says, the Committee on Aging, not the aging committee, and we welcome you this morning. You have a lot of friends on this committee, a lot of support, we look forward to your statement, and then a series of questions will follow. Thank you for coming.

STATEMENT OF MS. GWENDOLYN S. KING, COMMISSIONER, SOCIAL SECURITY ADMINISTRATION

Ms. KING. Thank you, Mr. Chairman. It's a pleasure for me to be here this morning to testify concerning the service the Social Security Administration provides to the public as well as to have a chance to share with you the measures that I am attempting to take at that agency to further enhance service.

In inviting me to testify this morning, Mr. Chairman, you have posed several questions that cannot be fully answered within the limited time frame of my opening remarks, and so I would like to submit my full written testimony for the record.

The CHAIRMAN. Your full statement will be placed in the record.

Ms. KING. Thank you. Thank you all for your commitment to help. It is that kind of partnership I believe we are going to need if we are going to persist in addressing some of these opportunities that lie ahead of us.

At the outset, Mr. Chairman, I want to correct any false impression that the Social Security Administration is understating error rates on calls handled by the 800 line. I have no trouble giving you a quick and accurate answer to that allegation. It is not true. Furthermore, there is no basis whatsoever for believing that it is true.

I don't want to bog this hearing down in a debate about survey methodology, but there are some obvious comparisons between GAO's data and SSA's that need to be put on the record. The GAO study was performed over an 8-day period; SSA's review covered 6-months. GAO reviewed 160 cases; SSA reviewed 25,000. GAO's survey, as they have already testified, took place in one city; SSA's was nationwide. We do stand by our research findings which show clearly that we are providing highly accurate information to those who use our 800 service.

When someone says Social Security could be doing a better job, I readily acknowledge that we can always do better, and I welcome your help and your suggestions and your willingness to work along with us as we strive to get from where we are to where we need to be.

That brings me to a point I wish to stress this morning, Mr. Chairman. This hearing is focused on the idea of revitalizing the Social Security Administration. In pursuing that theme, I do not want to leave the impression that I have had to rebuild this agency from the ground up or to rescue it from some sort of abyss. That is not at all how I see my role.

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When I became Commissioner of Social Security only last August, Senator Heinz, I considered myself the most fortunate of public servants. Not only did I take the reins of an agency that has unlimited potential to touch the lives of millions of people, but I inherited a workforce that already has a strong grasp of what the term "public service" really means and a deep commitment to that ideal.

So it is no wonder that 83 percent of the respondents in a national survey last year called SSA's service good or very good. That was, Mr. Chairman, I want to point out for the record, a client satisfaction survey. It was not a survey of our accuracy rates.

The employees of Social Security care about their jobs and care about the quality of their work. My goal is to build upon their record of success and raise SSA's level of service to even greater heights. I have very firm goals for this agency, a very clear vision of the steps that must be taken to provide optimum service and meet the growing and changing needs of the American people as we approach a new century.

May I say also for the record that the strategic plan which was referenced earlier this morning did not satisfy me, either, Mr. Chairman. It lacked a basic architecture, basic objectives, and we are revising extensively the strategic plan for the year 2000 with which you may already be familiar. We look forward to sharing with you our revised strategic plan as soon as it is completed.

Over the course of the past 10 months, I have visited 45 offices in nine regions and met and counseled with over 17,000 of the 65,000 men and women who strive each and every day to provide excellent service and have, in fact, been providing it. I know those areas in which we need to improve. I see the problems that need correcting, and those improvements and those corrections are taking place.

One of the greatest challenges for this agency and for me personally, Mr. Chairman, is to stay on the path toward excellence, to keep our vision clear, to continue providing better service to more people, particularly the most vulnerable among us, and to utilize analysis and appraisals that are positive in construction, but to avoid having our course disrupted by criticism that serves no constructive purpose. That is why I welcome your offer of assistance, Mr. Chairman. We have so much to do.

If I took seriously, for example, those who seem to believe that SSA is a less effective, less compassionate agency because of its utilization of computers and telecommunications technology, if I took seriously those who seem to regard a national toll-free telephone network as nothing less than a tool of the devil, then I would have no choice but to pull the plugs and see if I could get a good deal on manual typewriters and rotary phones, because, Mr. Chairman, we would clearly be going backward in time, not forward.

The Social Security Administration has a growing beneficiary population, a population with changing and expanding needs, and there is also another segment of the population that needs our help and to whom we must reach out. These ever-increasing demands are not going to recede. Therefore, I cannot retreat on my agenda for this agency. We must continue enhancing our service.

We must work aggressively to reach those who need our help. We must continually broaden Social Security's accessibility to the American people. To fulfill this agenda, I believe we need to use to the fullest extent all of the human and technological resources available to SSA.

On the human side of the equation, we are stabilizing a workforce that has gone through a tumultuous 6-year period of downsizing. Secretary Sullivan and I have insisted on this period of stability and recovery, and I have initiated steps to improve working conditions and morale and enhanced training, promotional opportunities, and quality of life for our employees, while continuing to improve service to the public.

In March, I sent out special strike teams to those SSA offices with the greatest needs for additional staffing, supplies, and equipment. I authorized the immediate hiring of almost 500 new people for these locations, many of them in urban areas most hard hit by the imbalances caused by downsizing.

There are other actions I have taken that are outlined in the written statement, but there is one more step that needs to be implemented that I want to emphasize as strongly as possible. President Bush's fiscal year 1991 budget, if accepted in full by the Congress, and I underscore in full, will begin to give SSA the resources it needs to bring stability and recovery and to ensure a highly trained, highly skilled, and highly motivated workforce.

This energized workforce is necessary to fully realize this agency's limitless potential. In addition to providing even better service to the people that call and visit us, we can reach out to those people who desperately need a helping hand. SSI outreach is a prime element in this expanded, aggressive vision for Social Security.

I believe we have a fundamental responsibility to reach out and help those elderly, blind, and disabled people who are living lives of despair. To be successful, we are, of course, taking basic measures such as automatically providing SSI information to Americans turning 65 years old. We are also merging our resources with the talents and energies of local community-based programs that provide support and services to the needy and the vulnerable.

We are working within the network of the Health and Human Services Medical Assistance, Social Service, and Rehabilitation Programs that are directed toward many of the same people we are trying to help. Because SSA is part of that extensive HHS family of agencies, we are able to offer a more comprehensive, broad-based array of services to people in need. This cooperative effort is particularly important in working with the homeless.

We have appointed homeless coordinators for over 1,000 SSA field offices, and a meaningful portion of the $3 million Congress appropriated for SSI outreach demonstration projects in this fiscal year will be directed to help homeless people.

We're also expanding our efforts to find representative payees for beneficiaries with special needs who require help in handling their benefit payments. We will make special efforts to attract people who have the beneficiary's best interests at heart and who will provide for those interests. That is why stabilizing and motivating SSA's workforce is so vitally important—to have the people

necessary to offer this kind of critical, ambitious, aggressive, caring service, in addition to performing the day-to-day business of the agency.

On the technological side, we are going to continue making progress in bringing about faster, more efficient and more accurate Social Security service. Investment in technology is reaping benefits. For example, even though Congress was unable to act on the rollback of Medicare catastrophic premiums as quickly as we urged, I do commend the work SSA systems professionals did in processing the rollback of those premiums so quickly, especially given the size and complexity of our systems and the lack of the lead time we had. And it cost us $25 million instead of our projected $45 million.

I do appreciate also the participation of GAO and your Office of Technology Assessment and the other public and private entities that came in to help us on the front end of our deliberation to make sure that we were moving in the most effective manner possible.

Technology has also reaped benefits in the convenience and accessibility provided to the public through our toll-free 800 line. We have brought SSA into people's homes. We have given people another option for service, and the public has responded with enthusiasm.

In a study conducted last year by the HHS Inspector General, 76 percent of those people who conducted business with Social Security over the 800 line would prefer the telephone as their next means of contact. Only 6 percent said otherwise.

Mr. Chairman, if I may, I would like to enter into the record at this time a sampling of the thousands of letters received by Social Security in support of this service. I have them here, and I will be happy, if you will agree, to make them a part of the record.

The CHAIRMAN. We will make a certain sampling a part of the record. I think if we printed all those letters, we may further bankrupt the Government a little more, but I do see a large number there. We will select some samples. I'm glad you brought those with you, they will be made a part of the record.

Ms. KING. Thank you very much.

[The prepared statement of Ms. King along with a selected sampling of support letters follows:]

DEPARTMENT OF HEALTH & HUMAN SERVICES
Social Security Administration
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STATEMENT

BY

GWENDOLYN S. KING

COMMISSIONER OF SOCIAL SECURITY

BEFORE THE

SPECIAL COMMITTEE ON AGING

U.S. SENATE

ON

PROGRAM ADMINISTRATION AND PUBLIC SERVICE

MAY 18, 1990

Mr. Chairman and members of the committee:

I welcome the opportunity to appear before you to discuss the old-age, survivors, and disability insurance (OASDI) and Supplemental Security Income (SSI) programs administered by SSA.

In my view SSA has a public trust to serve the American people to the best of its abilities. My objective as Commissioner is to see that the Agency fulfills this public trust and meets the high standard which I believe is the only standard that is acceptable to the American people.

As a first step toward achieving SSA's full potential, I have established three primary goals for the people's Agency:

- To serve the public with compassion, courtesy, consideration, efficiency, and accuracy;
- To protect and maintain the American people's investment in the Social Security trust funds and to instill public confidence in Social Security programs; and
- To create an environment that ensures a highly skilled, motivated work force dedicated to meeting the challenges of SSA's public service mission.

These goals, which I announced last November to all SSA employees, are based on a tradition of service to the public that has long guided the efforts of SSA's employees. By reaffirming them, I believe that SSA will continue to be the #1 service-oriented Government Agency.

Staffing

Over the last 6 years, SSA's full-time equivalent employment levels have dropped by about 17,000. At the same time, public demand for our service has increased. New technology has helped meet those demands. But SSA has been severely strained to serve growing beneficiary and worker populations, adjust to major changes in work processes, and strengthen service delivery.

The Secretary and I have insisted on a period of stability and recovery to improve working conditions and morale and enhance training, promotional opportunities and quality of life for our employees, while continuing to improve our service to the public. President Bush's fiscal year (FY) 1991 budget, if accepted in full by the Congress--and I emphasize in full--will begin to give SSA the resources needed to bring stability and recovery to this Agency.

Facilities Review Action Plan

We have learned through our process reviews of field offices conducted last year that the downsizing has resulted in staffing imbalances in some offices. Many urban offices have been particularly hard pressed, because uneven attrition has limited their ability to provide the special assistance that the homeless, aged, disabled, and others in their service areas require.

To address this inequity, I sent special "strike" teams in March to those offices most in need of additional staffing and provided immediate assistance to them. Supplies and equipment were allocated to those offices, and problems the strike teams identified were dealt with on the spot. I authorized the immediate hiring of almost 500 new employees for these locations.

In assessing the state of the Agency, I also determined there was a need to take steps to improve morale and working conditions. I have taken a number of actions, including:

- "On-the-spot" awards to recognize superior effort;
- Onsite childcare facilities at two Baltimore locations (and we are surveying the possibility for additional sites);
- Faster installation of additional personal computers in field offices; and
- An Office of the Ombudsman to identify and propose responses to human resource and management problems.

I have also suspended numerical performance goals because, as the process reviews indicate, they drive the Agency to achieve some goals while other important activities are given insufficient attention. Working with a cross section of agency personnel, both management and labor, from throughout the country, we are developing a new set of performance goals which will measure more accurately the work being performed.

Level of Service

As SSA has implemented new technology and reduced staffing, the speed and accuracy with which SSA processes claims and pays benefits has remained high. Client satisfaction with SSA service has also remained high, with over 83 percent of respondents in a 1989 national survey rating SSA's service as good or very good.

One reason that client satisfaction has remained high is that managers have tended to retain technical, public contact positions. Another reason is the nature of the SSA work force.

The employees of the Social Security Administration care about their jobs and care about the quality of their work. My goal is to build upon their record of success and raise SSA's level of service to still greater heights.

Our workloads are a factor in maintaining that service. Workloads, as previously anticipated, continue to increase. At my request, OMB released $48 million from SSA's budget in recognition of the fact that those funds will help us stay on top of sensitive workloads and provide needed training, supplies, equipment and staffing in SSA offices. The money will also provide necessary relief for the State agencies that provide disability determination services for SSA.

800-Number Teleservice

Clearly, the public increasingly prefers to do business with SSA by telephone and has responded positively to the 800-number service. In a late 1989 Office of the Inspector General (OIG) survey, 82 percent of those who called the 800 number said the service they received was good or very good. In a recent SSA survey, 97 percent of our callers said they received courteous service.

In 1984, the General Accounting Office reported that 51 percent of those surveyed said they would do future Social Security business by telephone. In late 1989, our HHS Office of the Inspector General found that 67 percent of those polled preferred doing business by telephone.

While we are pleased with the public acceptance of the 800-number system, we are striving continually to correct problems that make the system less than perfect. One such problem is high busy signal rates on certain days of each month--generally around the day checks are delivered, Monday of each week, and the day after a holiday.

To reduce busy signal rates, we have reopened, on a temporary basis, the public telephone lines in more than 350 local field offices, hired 160 additional TSRs for the teleservice centers (TSCs), increased the amount of overtime hours allocated to the TSCs, and allowed part-time TSRs to convert to full-time employment. We also opened a second backup, or what we call a "spike" unit, in the Chicago program service center to supplement the one in Birmingham and give us an additional 140 people to answer phones when demand for service is high.

The actions we took last fall and earlier this year are beginning to work. For April, our busy signal rate for the 800 number was 4.3 percent on regular days and 26.8 percent on peak days. This is down significantly from the busy signal rates we experienced in the first 3 months of the year. While we are encouraged by this improvement, we are by no means satisfied.

I have consulted with the Social Security Management Association, seeking its recommendations as to how the 800-number service might be improved. The managers have made a number of constructive suggestions that will be reviewed by an Executive-level workgroup I have convened. This workgroup will review all aspects of the 800 system. The group will evaluate the service delivery goals we are using to measure the performance of the 800-number system, staffing levels required to meet these goals, the optimal number and size of answering sites for the system, and the use of automated call-handling equipment. The group will also consider what phone number--either the 800 number or the local office number--should be placed in different types of Social Security letters as well as the scope of issues that should be handled by the TSRs in the TSCs. I am confident that the recommendations of the workgroup will identify ways to improve service so that it will further meet the expectations of the American people.

I also believe that SSA can do more to educate the public about the best times to contact SSA--which would address the problem of very high volumes of calls in certain peak periods. SSA will launch a national public service announcement campaign encouraging the public to call our 800 number during the morning hours of 7 a.m. to 9 a.m., when call volumes are quite low. We are piloting our Prime Time 800 campaign now in the States of Illinois and Indiana and will use the results in planning for phasing in all regions this summer.

New SSI Outreach Initiatives

I want to emphasize my belief that a critical part of SSA's commitment to providing the very best service to the public includes bringing SSI to those for whom it is intended.

One of my early actions as Commissioner was to establish an SSI outreach task force to develop a comprehensive SSI outreach strategy. The outreach strategy is based on three major premises. First, SSA must do a better job of providing information about and promoting understanding of the SSI program. Second, SSA must reach out to people who are aware of the program but are reluctant to apply for SSI benefits. This will require us to work toward a more positive public perception of the program. Finally, SSA must help people through the process of applying for SSI benefits. People must not lose benefits for which they are eligible due to fears about the application process. Supplying the necessary documentation can be very difficult, and for those who are suffering severe economic hardship, it can be overwhelming.

To be fully successful, SSA's outreach effort must be integrated with local community-based programs that provide support and services to the aged, blind, and disabled as well as with food and nutrition programs and other HHS medical assistance, social services, and rehabilitation programs.

The SSI Outreach Task Force has developed a guide titled, "Principles of SSI Outreach," which sets up a framework for outreach that is to be used by every field office. This document outlines a basic strategy for SSA employees throughout the country to follow in order to address the barriers that may keep people from seeking the help the SSI program can offer. The key to this strategy is the recognition that to reach those eligibles not receiving benefits, SSA must develop more and better working partnerships with human services networks in each community that can help us identify potential eligibles and help us enroll them in our programs. The involvement of community groups assures that a continuing system of outreach will be in place. This highly integrated approach to outreach also assures not just the receipt of needed income but of other needed services as well.

We also have several significant outreach projects underway. These include:

- producing training materials on SSI eligibility requirements for organizations and agencies to help spread the word on SSI and assist individuals in the application process;
- assessing the readability levels of all printed public information materials and developing new sources of distribution;
- targeting mailings to persons likely to be eligible; and
- making the SSI application process less difficult.

Outreach Demonstrations

During last fall's appropriations process, Members of Congress who share our commitment to SSI outreach were successful in obtaining an additional $3 million in FY 1990 to be used for grants supporting SSI outreach demonstration projects.

We are moving to put the grant program in place. In the April 11 Federal Register, we solicited grant applications, and we plan to make all grant awards by early September.

We have high hopes that these demonstrations will provide us with a continuum of effective, responsive, and transferable approaches for reaching persons who are potentially eligible for SSI.

Outreach to the Homeless

The homeless present very special challenges. We have responded with a determined policy of integrating our claims taking and benefit payment role with the efforts of community-based organizations that seek to help these people stabilize their lives.

We have appointed homeless coordinators for over 1,000 field offices and have encouraged field office staff to serve on interagency health and welfare councils serving the needs of the homeless. Special projects are pursued on the local level, such as visiting shelters and other gathering places for the homeless. In addition, we anticipate that some of the SSI outreach demonstrations that will be funded with the $3 million appropriated for FY 1990 will focus on outreach to the homeless.

Incorrect Suspensions

You also asked what SSA has done about incorrect terminations of payments to SSI recipients.

An internal SSA quality assurance study was conducted of SSI cases where benefits were suspended in 1987 and 1988 for recipients' failure to comply with requests for evidence to support continued eligibility or to verify payment accuracy. Of 1,293 suspension cases in the sample, 46 percent (593) were suspended erroneously. In most of such cases, field offices suspended before allowing the prescribed time (30 calendar days) for recipients to respond to a notice mailed to them by SSA.

In many cases, suspensions were done without the followup contacts by telephone or personal visits which are required when case records show conditions that might cause recipients difficulty in responding--for example, advanced age (75 or older) or mental impairments.

Corrective actions have been taken. Emergency instructions were issued to reinforce the policy requiring a personal followup or telephone contact with a recipient if the case file indicates that the recipient has a condition that might make it difficult for him to respond to requests for information.

In addition, a new requirement was instituted. Any benefit suspension based on the recipient's failure to cooperate must be reviewed and approved by a field office operations supervisor before being implemented.

This has significantly reduced the number of incorrect suspensions. Our latest data indicate the number of N20 suspensions has decreased from an average of 438 per workday in 1989 to about 70 per day in April 1990. I am currently considering, because of the serious consequences that can result from the suspension of payments to a needy individual, a requirement that a mandatory follow-up personal contact be performed in every case before considering suspending payments because of failure to cooperate.

Representative Payee Process

SSA also is expanding its efforts to find the best possible representative payees for beneficiaries with special needs who require help in handling their benefit payments. We will make special efforts to attract payees who have beneficiaries' best interests at heart and who will provide for those interests.

I would now like to mention some initiatives we have undertaken or are exploring that reflect a continuing effort to provide long-term solutions to payee problems.

- One of the best ways to protect beneficiaries who need a representative payee is to identify additional sources of qualified payees. I recently signed a memorandum of understanding with the Administration on Aging to give priority attention to increasing voluntary payee sources. (This is another example of the close coordination under the HHS umbrella and why we oppose making SSA an independent agency.)

  We are also working with the American Association of Retired Persons, the Emergency Food and Shelter Program, United Way, and other organizations to develop voluntary payee projects.

- To aid our representative payment outreach efforts, we are preparing a video presentation and other recruitment material showing the positive aspects of representative payee volunteerism. It will be distributed to our field offices for use in community and public service activities.

- We are in the process of changing appropriate forms and procedures to elicit more information about payee applicants' qualifications and to more intensively monitor persons who are payees for several beneficiaries. Additionally, we have met recently with the National Criminal Justice Association and appropriate State representatives to explore the feasibility of having SSA screen payee applicants based on criminal records available to States. We anticipate that this will lead to pilot projects in 10 States.

- Finally, we are developing a comprehensive representative payee data system that will help us screen payee applicants more effectively, improve monitoring of the accounting process, and produce more detailed statistical data.

I am strongly committed to using all reasonable means at SSA's disposal to find the best possible representative payees for beneficiaries who need them. I know that this compassionate country of ours has a wealth of caring individuals and groups who are willing to perform this service, and we will be working hard to find them.

Service Representatives' Role in SSI

You also asked me to address the transfer of certain responsibilities regarding SSI workloads from claims representatives to service representatives.

We looked at SSI workloads in field offices and found that a number of workloads which routinely are handled by claims representatives could be handled appropriately by service representatives after they receive training in the specific work that they will be assuming. These SSI duties are similar to the title II duties that service representatives already handle, including such things as explaining notices, issuing overpayment notices, and verifying wages. A major SSI workload that we have identified as appropriate for service representative involvement is the handling of SSI redeterminations to the extent that only simple development is required to complete the redetermination. Claims representatives will continue to do the bulk of the field offices' redeterminations, including those with complex issues.

The duties that service representatives will be asked to perform are GS-7 level duties. The complex cases involving GS-10 level work will continue to be handled by claims representatives. Let me assure you that we will not assign higher graded duties to employees without properly compensating them for such duties.

Currently, we are completing the work on the training materials for service representatives and we hope to have nationwide training under way soon. We are working closely with the unions concerning these proposed changes in service representative duties. I am confident that the training will provide service representatives with the understanding and technical knowledge to carry out their new SSI duties.

I view this initiative as one that will improve service to the public. Service representatives will be trained extensively in SSI, and the public will benefit by having more employees in the field offices able to assist them with their SSI questions and concerns.

As I mentioned earlier, we also are concerned about the role of service representatives in the teleservice centers. An executive-level workgroup is currently developing recommendations on improvements to our 800-number service. One of the issues they are reviewing is the role of teleservice and teleservice representatives in the SSI program.

Wage Reconciliation

I would now like to address another matter of interest to you, wage reconciliation, which involves resolving differences between the amount of Social Security wages reported by employers to SSA and to the Internal Revenue Service (IRS). It is vital that the differences in wage amounts on SSA and IRS records be resolved promptly. Workers and their families must have assurance that their benefit amounts will take account of all the worker's earnings which are covered under Social Security.

Reconciliation cases began to occur in substantially greater numbers in 1978 due to legislation which required employees to report Social Security wages for individuals on an annual basis instead of on a quarterly basis. Employers continued to report summarized Social Security wage data to IRS on a quarterly basis.

A major step in improving the wage reconciliation process was the signing, in July 1988, of a revised Memorandum of Understanding between SSA and IRS which sets out the roles and responsibilities of each agency with respect to wage reconciliation. SSA agreed to resolve all differences involving higher amounts reported to IRS than to SSA for tax years (TYs) 1978-1986. SSA and IRS share responsibility for resolving wage differences for TY 1987 and subsequent years.

We have processed virtually all reconciliation cases for TYs 1978-1983, and we anticipate that virtually all cases for TYs through 1988 will be processed by October 1990. At that time, we will be processing reconciliation cases on a current basis. As of March 31, 1990, the total value of the wage reconciliation case differences which SSA has resolved for TYs 1978-1988 was $133.9 billion.

Our efforts have been directed toward initiatives that would prevent wage differences from occurring. For example, in FY 1989, SSA and IRS held 423 joint seminars to educate employers on their responsibilities. In addition, SSA and IRS are trying to improve employer reporting by sending better informational material to employers and by modifying the forms employers have to fill out.

Another important way to assure that workers and their families get benefits which reflect all of the worker's earnings is for workers to notify SSA if all their earnings are not credited.

Repeal of Catastrophic Insurance

Mr. Chairman, as you requested, I would now like to discuss briefly SSA's handling of the rollback of the Medicare catastrophic coverage premiums. One effect of the repeal of the Medicare Catastrophic Coverage Act was to reduce monthly Medicare premiums, effective January 1, 1990. The reduction affected the monthly Social Security payments of some 27 million beneficiaries and left SSA with the task of adjusting its payment records to reflect the new Medicare premium.

We have now completed these adjustments, and as a result, the benefit checks mailed in May reflected the lower Medicare premium withholdings that resulted from the repeal of catastrophic coverage. In addition, we have refunded the excess Medicare premiums that have been collected since January 1.

This accomplishment, which could not have been done without the untiring efforts of SSA's entire systems staff, also demonstrates how the Financial Management Service in the Treasury and SSA must work closely together to make benefit payments. Because of the complexity of the software, the need to make certain that the changes were done exactly right, and the concern that they be implemented in the absolute minimum possible time, I asked that a number of experts from both Government and private sector join us to review our strategy and our approach. This panel confirmed that our basic planning and approach was the correct one. However, in order to repay the excess premium withholdings more rapidly, they recommended and we adopted a process whereby special retroactive payments were made. In addition, our approach was also subsequently reviewed by the General Accounting Office, and they also have confirmed that our approach and methodology was the most expedient one available.

I am aware, however, that some have expressed the view that SSA's systems should have been able to make the changes much more quickly. They obviously do not have an understanding of what is involved.

Looking back from the date the checks incorporating legislative changes are mailed, there are four major steps that must be performed. Any change that affects payments must be tested and in operation at least 6 weeks before the checks are mailed, because the Treasury must begin printing the huge volume of Social Security checks over a month before they are mailed.

Additionally, any change in the software that computes benefit payments must be rigorously tested--what we call validated--to be sure that it works precisely as intended. This involves conducting trial runs and is time consuming and demanding. The risks of not validating are simply too high: it is essential to know if the new software works to avoid making mistakes in thousands, perhaps millions, of Social Security benefit payments.

Also, the software itself must be written or revised. The programs we use to calculate Social Security benefit payments--and Medicare deductions--are complex, containing millions of separate instructions and thousands of decision points.

Because there is no way in a system as large and critical to so many people as SSA's to eliminate any of these steps, there will always be the need for lead time to make changes affecting payments. Part of the problem we have with reprogramming stems from our current software, which is old and scheduled to be replaced. However, even if the amount of time required to complete the rewriting of the software is reduced somewhat, SSA will never be able to instantly make across-the-board changes that affect the payment of all Social Security beneficiaries.

Conclusion

Mr. Chairman, over the last few years SSA has largely completed a transition from a manual, paper-dominated working environment to one where automated systems allow us to provide quicker, more accurate service with a smaller work force. Although the overall quality of SSA's service has remained high during this period, we clearly require a period of stability and recovery during which we can concentrate all our energies on meeting special needs of both our employees and the public we serve. I am confident that we have the will and commitment to meet these needs, and I look forward to working with the Congress as we strive to make SSA's service the best that it can be.

December 5, 1989

Social Security Administration
Post Office Box 7844
Chicago, IL 60680

Attention: A. Herrera

I want to get this in writing before it gets side tracked.

Having reached age 70 earlier this year, I started receiving my monthly benefit, even though, of necessity, still working full time. Being a worrier and a stickler, I've on an occasion called your general assistance (800) number for information or clarification, in setting up direct deposit, checking on some differences, etc.

Despite the dozens (hundreds) of calls each of your people must get during a day, they have been consistently courteous, patient, helpful and have come up with the answers. I have talked to Miss Veal, for example, on more than one occasion and she is outstanding. She and your other people do a tremendous job. I'm grateful and I hope you'll let them know.

Merry Christmas,

Ted Barbera

Ted Barbera

449 Standford Avenue
Palo Alto, CA 94306

February 9, 1990

Social Security Administration
Teleservice Center
Albuquerque, New Mexico 87180

Dear Sir/Madam:

On January 25, 1990 I called for assistance from Social Security concerning my retirement plans.

I reached a lady at your teleservice center and she was so very courteous and knowledgeable that I wish to have her supervisor made aware of that particular employee. Her name is Gloria Worthington. She answered all my questions fully and asked a number of questions of which I was unaware, that were to my definite advantage!

Dedicated employees, such as Ms. Worthington enhance your public image greatly.

Thanks to Ms. Worthington for a job well done.

Sincerely,

R F Harper

R. F. Harper
700 Cedar Street, #2F
Little Rock, AR 72205

Joyce Linton
Social Security Adminstration
P.O. Box 7844
Chicago, Illinois 60680-7844

12/10/89

Joyce,

On the 8th of December I decided I had best look into my Social Security situation and find out where I stood. In 1986 I made a call to the local Social Security office and was most pleased with the information the workers there provided me. So-o I thought...they were tremendously nice last time I talked with them..it'll be nice dealing with local folks, etc. I was shocked when I called the old telephone number and a recorded message instructed me to dial an '800' number. I thought it would be the 'end of the trail' ...probably no info at all...not from an '800' number...probably recorded stuff...generiac material that would tell me nothing.

Was I ever surprized when I called the '800' number and got a real live person...and a real live person that knew her business. I was fortunate in having Ann Mitchell answer my questions. She listened to me patiently, determined what I was interested in and proceeded to answer my questions. She then mentioned that the process for starting my social security payments would be much easier than I contemplated. I envisioned rounding up dozens of legal documents, going to the local office, standing in a long line and spending considerable time just waiting around. Mrs. Mitchell told me I was trying to make it too hard. She gathered pertinent data about me, from me and asked when I'd like the local office to call me. I suggested Monday morning at 10:30 or so. She said okay and if they did not call by 11:00 to call her. (Think about it..all at once I have just contacted a government agency..and I'm getting real help.) Mrs. Mitchell has me believing I have someone in government who is vitally interested in my welfare. Think of it.. she is what every worker should try to be...knowledgeable, courteous, kind and she really cares. -- Well, Joyce, after being so tremendously pleased with my treatment, I asked Mrs. Mitchell for the name of her supervisor..overseer, boss, whatever...I asked your address and how I could contact you and I told Mrs. Mitchell I wanted her superior to know about her work. She thanked me...but It's me that's thankful. By the way, a short time after our conversation the local office called and asked if they could contact me at another time on Monday...3:30 was the time decided on. Man, I mean this is great! What do I think about the people who work at Social Security? They are absolutely THE TOPS..and heading that list is Mrs. Ann Mitchell. Just thought you would like to know.

Best regards,

Jim Palmer

1890 Los Encinos Avenue
Glendale CA 91208

January 19, 1990

Dept. Health & Human Services
Social Security Administration
Teleservice
Box 76988
Los Angeles CA 90076-9962

Gentlemen:

For many years (more than I care to count), in my work as a probate paralegal I have had frequent occasion to work with your representatives. Without exception, in my contacts with them I have found them to be pleasant, courteous, and extremely helpful, and I never ceased to marvel at the efficiency with which the business of your agency is conducted.

Last November I decided that 50 years of my life was enough to devote to the legal profession, and I telephoned the Glendale office, expecting to be asked to come in to make arrangements for my own retirement. Instead, I was amazed to find that these arrangements could be made by telephone. Your representative, Tracy Dewindt, was not only helpful and informative, but she handled my call with unbelievable efficiency and good humor, and she anticipated and answered all the questions I had intended to ask. Within two weeks, I received the promised letter from the Western Program Service Center, outlining the benefits I could expect to receive.

Today I telephoned the direct deposit 800 number and spoke to Mr. Bergman, who speedily made the necessary arrangements for direct deposit of my check to my bank account. Again, there was "nothing to it".

The Social Security Administration could well serve as a model for all governmental agencies. What a pity that it doesn't! Licensing a dog is far more difficult (not to mention annoying). When I stop to consider how many people you serve, and I read accounts of your problems with understaffing, I wonder how you do it. But you manage somehow, and I'm grateful. And I just had to pause to tell you so. Thanks!

Yours very truly,

Helen L. Grant

Admitted:
Alaska
Texas
Colorado
Montana
Not admitted in:
California

Harry G. Brelsford
Attorney at Law
Consultant -

9 Commodore Drive #A-210
Emeryville, CA. 94608
(415) 653-1649

Ms. Linda Glassoe
Social Security Office
Unit 25, I-C-8, So. Bay Whse #7
1500 C St. S.W.
Auburn WA 98002

Dear Ms. Glassoe:

I utilized the 800 Social Security number and Ms. Patricia Rontos of your office was of pleasant assistance to me in undertaking to become reinstated in the Social Security program after returning to work for a year. I requested the name of her Supervisor as I wanted to express my elation at dealing with someone who was helpful, articulate and caring.

As an attorney with years of service with the TransAlaska Pipeline, now retired, I recognize good work when I see, or perhaps hear, it. Ms. Rontos had obvious knowledge of her subject, and if she did not know an answer she requested "time out" and consulted with you, and was very clear on what I needed to do and furnish to Social Security locally. I never once felt I was being "put off".

I would also add you must have trained her well as to what to consult you about and what to proceed with on her own, and as a former supervisor of a Law Department I appreciate the ability to properly supervise.

Sincerely

March 21, 1990

Jamaica Tele Service Center
1 Jamaica Center Plaza
155-10 Jamaica Avenue
Jamaica, NY 11432

Attention: Ms. Jane Fuller

Dear Ms. Fuller:

Today, I called your office inquiring about the amount of Social Security benefits I received during 1989 and I had the pleasure of speaking with Ms. Joanne Copeland of your office. She not only efficiently handled my request but went out of her way to give me more information about my benefits when I retire. She handled herself in such a professional manner enhanced by a friendly manner. I feel she could be emulated by others in the employ of the U.S. Government and shown as a fine example of courteous service to the public.

She made my day! I hope you pass this on. Thanks.

Sincerely,

Catherine M. Curley

(Mrs.) Catherine M. Curley
47 Longfellow Lane
Mahwah, NJ 07430

LEGAL SERVICES CORPORATION OF IOWA
CEDAR RAPIDS REGIONAL OFFICE
Suite 400 Paramount Bldg. • 305 Second St., S.E. • Cedar Rapids, Iowa 52401
(319) 364-6108
Toll Free 1-800-332-0419

October 17, 1989

Ms. Leah Summers
Social Security Administration
Teleservice Center
Unit 700
P.O. Box 27170
Albuquerque, New Mexico 87125-7170

Re: Michael Campbell payment history

Dear Ms. Summers:

I would like to take the opportunity to thank you for all of your assistance in sorting through the overpayments for Mr. Campbell, and your instructions, both written and verbal, on understanding and reading the SSA computer printout sheets. With the information you have provided, I, and the other advocates in my office will be better able to serve our clients and hopefully reduce the amount of misunderstanding between clients and the local SSA office.

I very much appreciate your taking so much time to assist me.

Sincerely,

Sharon M. McMulin

Sharon M. McMulin
Managing Attorney

SMM/mee

WASHINGTON STATE DEPARTMENT OF PERSONNEL
521 SOUTH CAPITOL WAY
OLYMPIA, WASHINGTON 98501
(206) 753-5383

November 28, 1989

Teleservice Center
Social Security Administration
1500 C. Street S.W.
Auburn, WA 98001

Attention: Supervisor of Unit 16

Dear Sir:

Today I telephoned your section for information on my social security eligibility, how it would change if I retired several months before my birthday during the calendar year I will be 65, and what would happen if I married a person who is already receiving a widow's benefit.

I am elated about the response I got from your representative, David Carruthers. Dave was able to give me a pretty good ball-park estimate of my own entitlement for both dates, to explain options under the widow's benefit entitlement, and to help me understand the financial consequences of the possible marriage.

Obviously Dave was getting a lot of this information from what is a very customer-friendly computer program. But Dave was friendly too, and he added a lot of information that the computer didn't provide.

I had no idea I would really get this kind of help over the telephone. I think Dave, you, and the Department are all to be congratulated on the quality and depth of your service.

Sincerely,

Gail A. Salisbury

Gail A. Salisbury
Personnel Services Supervisor

March 21–

Dear Ms. Jackson,

I want to call your attention to Miss Kaduk.

Recently, last May during husband and I took found I was confronted with situations that I didn't have the answers for. It was necessary for me to call Social Security to ask for help.

Fortunately, for me, I was connected with Miss Kaduk. She went straight to the point and I felt as though I was talking to a friend. She had all the right answers and made my situation very simple and understandable.

Soon after our initial talk she called me to see me she had thoroughly researched my problem and wanted to be sure I was satisfied with the results and understood.

It isn't often that you find someone like Miss Kaduk, who really cares – Rare love her!

My best wishes to see you Good people

Alice C. Bullara

Mrs. William Bullara
4015 Mayfield Avenue
Oakland, Ca. 94619

620 Westwood Avenue
Hampton, VA 23661
4 December 1989

Social Security Administration
Post Office Box 3030
Manassas, VA 22110

Subject: Letter of Appreciation

Regarding: Elnora Pittman, 227-84-0603
Aspasia Pittman, daughter

Dear Sir:

At approximately 1020 hours this morning I telephoned your 1-800-234-5772 number to make a status inquiry on behalf of my mother-in-law, Elnora Pittman, who has difficulty processing and utilizing systems such as SSA.

I would like to recognize your agent, Mrs. Feinstein, as being one of the nicest, most helpful representatives of any agency with which I have come into contact. She was extremely patient and took it upon herself to delve into the matter in question with a thoroughness which subsequently corrected the problem immediately and alleviated the extreme anxiety and helplessness which had previously been experienced by my mother-in-law.

So often, in our busy-ness, the human quality and caring which was exhibited by Mrs. Feinstein goes unrecognized. Therefore, I believe it is worthwhile of my own time to go the extra mile in letting your office know that I consider Mrs. Feinstein to be deserving of a simple "thank you" for doing her job so well.

Sincerely,

Cynthia J Pittman

Cynthia J Pittman
Social Worker

55 McKinley Street
Maynard, Mass. 01754

Dear Sir:

I want to express my appreciation for the help given me by Mrs. Blair in conversation through your 800-number relative to social security and health insurance.

My 65th birthday is near at hand and there were many questions, large and small, for which I needed answers.

I am not planning on retiring yet, so I was uncertain as to how to proceed.

Mrs. Blair was very patient and has a nice personality.

She answered all my questions and explained when I could expect to meet with a representative at the Waltham, Mass. office.

You are indeed fortunate to have such a helping and caring person talking to those of my age who are seeking assistance.

Would you once again thank Mrs. Blair for her help.

Sincerely,
Walter V. Moynihan
Walter V. Moynihan

October 26, 1989
Jeanne E. Rose
24 C. Porter Manor
Dunkirk, New York 14048

Reginald Tunstal
BTSC
300 N. Green Street
Baltimore, Maryland

Dear Sir:

I am writing to tell you that I was very impressed with the help I recieved when I called 800-234-5772. I was calling the Social Security office in Dunkirk when they gave me this number.

I talked to Birdie Foster and she gave me all the information that I asked plus information that I didn't realize I needed.

When you do get a service that you feel is over and above, I feel that it should be recognized. I really feel that many people 62 and over will be greatly helped by this great service.

Thank you again for recognizing our needs.

Sincerely,
Jeanne E. Rose
Jeanne E. Rose

Frederick G. Esley
(aka) Anthony Eisley
462 Evergreen Ash
Palm Desert, California 92260

Dear Ms. Canada

I must write this note to inform you of the marvelous service I received this morning from one of your staff.

I have been wrestling for several weeks with what to do about my own situation regarding complications in both my social security and medicare. It all seemed, — (to me at least!) — to be too intricate to resolve.

I called your toll-free number, with no great expectations that I'd even be able to articulate my confusions clearly — much less understand whatever response I might receive.

Thank God for Jerry Brown, who was the gentleman who took my call. He was ~~marvelous~~ marvelous. He patiently listened to my incoherant babbling, and guided

(me into a clearer statement of my problems. He took the time to answer even my most minor questions — — and made me feel that there was nothing more important to him than to make sure I understood <u>everything</u> — — and that I should be confident than all my concerns can (and will) be handled to my complete satisfaction.

Never in all my years before have I contacted a governmental office, and received such ~~pol~~ polite, patient, and understandable information.

I feel indebted to Mr. Brown, which is why I asked <u>him</u> who his supervisor was so that I might write this note.

Sincerely,

Doug Eisley

(FREDERICK G. EISLEY

1-4-90

Dear Sirs

I wish too make it known to you folks down there that you have a wonderful & splendid woman in your office by the name of Mrs Roberts — she & I had contact over the phone about some problems I was having with S S — & she was overly helpful in answering all my questions, courteous & just was nice as nice could be — she didn't rush me at all & really was interested in helping me out — If & when I get to Detroit, I would like too take her too lunch, if she agess —

I know my spelling isn't too hot but I'm sure you all get the idea that I want to pass on —

Thank you

Robert D Williams
106 Center Drive
Roscommon Mi 48653

((you can sure be proud of her)) & your office

Oct 5, 1990

Dear Mr. Denton, SLP 2F

I called for some information a few days ago, and was lucky enough to get Mrs. Laura Logan. She was very helpful, courteous, patient, & very pleasant to talk to. I'm writing this to commend her for these fine qualities & for doing her job as well as she did. I thought I would call this to your attention. All your operators should be as good as she is.

Sincerely,

Mrs. M. Cunnell
106 W. Maple Dr.
New Hyde Pk, N.Y. 11040

December 14 1989
Milton E. Clenton
4410 Grange Street
No. Little Rock, AR 72

Supervisor in Charge

Subject: MS. Pamela Adams

Today I called the 800 number there in Albuquerque, concerning application, information, and necessary documents for applying for retirement.

MS Pamela Adams there handled the problems of mine in a very business like manner. She was very polite, Knew the correct answers also made an appointment at the local SSA here for next week, December 20, 1989.

I would like for it to be known, quote "Good work thou good and faithful servant".

MS Adams I feel like her work, it seems I could tell by tone of her conversation while doing business today.

If all government Agencies operated like she did then we shall never need to worry about of Tax dollars being wasted.

It might be possible that this could make someone's day, perhaps you could let MS Adams know about this token of Appreciation.

Sincerely,
Milton E. Clenton

October 3, 1989

Mrs. Seubert
Social Security Administration
PO Box 7844
Chicago, IL 60680 7844

Dear Mrs. Seubert:

Recently, it was necessary for me to inquire by telephone about Social Security Benefits. It was my good fortune to have been connected to Mrs. Lee.

I expressed to Mrs. Lee my frustration about the decision to deny widow's benefits to me. Not only was Mrs. Lee sensitive to my situation, but she demonstrated a solid knowledge of Social Security regulations and explained the matter to me in a very articulate manner.

It was indeed refreshing to have spoken with Mrs. Lee. She is an asset to the Social Security Administration. I commend her and thank her for the high caliber of service which she extended to me.

Mrs. Lee helped me more than she can ever know.

Sincerely,

Dolores P. Dant

Dolores P. Dant
9608 S. Lowe Avenue
Chicago, IL 60628

From the desk of...

E. A. Tazewell III

11-C Anthony Circle
Newark, De 19702
16 Jan 90

D.H.H.S./S.S.A.
300 N. Greene St.
Baltimore, MD. 21201

ATTN: Tele Service Center Management

I had need to phone you today - and cannot let the day end without telling you what pleasant (and enjoyable) call your MR. Stephen Blackwell, made it.

MR Blackwell not only exercised professionalism at its best, He was Courteous and Considerate.

By virtue of your Position Please Accept my Appreciation and through you please Convey it to MR Stephen Blackwell.

Very truly yours

E.A. Tazewell III

Nov. 27. 1989

Social Security Administration
Tele Service Center
1500 "C" Street S.W.
Auburn, Washington 98001
Attn: Administrator

Today when someone goes out of there way to help a person - that no one ever says Thank You.

On Monday, Nov 20th, I had a problem involving Social Security Disability & I phoned your 800 number & talked to a Mrs. Smith. This lady was very helpful in my problem & advised me of the procedures I would have to follow.

On Tuesday Nov. 21st I received a phone call from my local Social Security office stating they had received a message from Mrs. Smith about my problem the documents that were required. Were given to the West Sacramento office the same day & my problem was taken care of.

I would like to thank Mrs. Smith & the Social Security Dept for helping Mr. Sincerely
[illegible] 2215 River Plaza Dr. #133
Sacramento Ca. 95[illegible]

3824 N. Oakgrove Dr.
#737
Midwest City, Ok 73110

Mrs Chelela Villarreal
Social Security Adm.
P.O. Box 27170
Albuquerque, Mexico 87125

Dear Mrs Villarreal:

The intent of this letter is to make you aware of the courtesy and thoughtfulness shown me when I called the Social Security Administration Office in Kansas City, Mo. and talked to Mr Doug Hawthorne concerning medicare and what it entailes.

Knowing very little about medicare, he explained the program to me in such a way that I felt I could teach a class concerning medicare, thats how thorough he was.

The government needs more people like Doug Hawthorne and it would be a better agency, you see; I know because I was a government employee for 23 years. Its nice to meet someone in the public sector who cares!

Sincerely,
Willard Brooks

2 NOV 89

SOCIAL SECURITY ADMINISTRATION
GRAND PRAIRIE TELE SERVICE
P.O. BOX 531778
GRAND PRAIRIE TX 75030

ATTN: M's HUTCHINS

THE PURPOSE OF THIS LETTER IS TO EXPRESS MY APPRECIATION FOR THE PROMPT, FRIENDLY, PROFESSIONAL ASSISTANCE THAT I RECENTLY RECIEVED WHEN I CALLED YOUR ORGANIZATION.

M's ANDREE LEWALLEN ANSWERED MY CALL QUICKLY, EFFECTIVELY AND EFFECIENTLY. SHE MOST CHEERFULLY "FIELDED" MY QUESTIONS AND ADVISED ME WHAT ACTIONS I NEEDED TO TAKE TO RESOLVE MY PROBLEMS. SHE PROMPTLY SENT ME THE NECCESSARY DOCUMENTS WITH CLEAR CONCISE INSTRUCTIONS ON HOW TO COMPLETE THEM.

IT'S OBVIOUS THAT M's LEWALLEN IS A VERY WELL INFORMED EMPLOYEE WITH DEDICATION TO HER JOB. IT WAS BOTH A PRIVLEGE AND A PLEASURE TO HAVE HAD THE OPPORTUNITY TO CONTACT HER

I WAS A MANAGER IN THE FEDERAL SERVICE FOR FORTY YEARS AND IT WAS PEOPLE LIKE M's LEWALLEN WHO MADE MY JOB AN ENJOYABLE & PRODUCTIVE ONE

THANKS A MILLION

JIM WELCH
937 CUNNINGHAM ST
CORPUS CHRISTI TX 78411

MAR 7 1990

160 Litchdrake Dr
Paoli Pa 19301
January 31, 1990

Mr. Andrew Tait
Social Security Administration
West Chester, Pa 19380

Dear Sir:

As a new applicant for Social Security retirement benefits, I want you to know that my application processing interview with Mr. Procatore this past Monday morning was more than satisfactory. It was all that I hoped; and frankly much better than expected from a busy government agency. I'm sure his experience and knowledge made this possible. In addition, I found him to be pleasant and very helpful in anticipating and fully answering my questions.

I also wish to thank your office for the opportunity of a personal interview rather than just a processing by phone and mail. Although I'm sure my case was reasonably normal, I have the feeling that both your time and mine were saved in the long run. However, it must be said that the instruction I received by phone as to what documents to bring was also vital. These have been two parts of what now appears to be a fine working system.

Thank you,
Franklin C. Kunze

March 22. 1990

Supervisor,

I called your Office this Morning and talked with Bill Prowice, a Member of your staff. I had Numerous questions on how and when to apply for Social Security + Medicare Benefits. Bill provided answers to all My questions. and I think You should know his presentation of the facts put Me at ease and ready to contact your office with the proper procedure.

In this day + age of computers and Misinformation, This was a pleasure

John Heller

Mrs. G. Melvin Cooper
720 Bacon Trail, Unit 26
Chattanooga, Tennessee 37412
November 3, 1989

TO THE SUPERVISOR OF MR. MANEAR
Social Security Administration

This is a letter of appreciation and praise for your Mr. Manear, with whom I talked on an 800 number on October 16, when reporting the death of my husband, George Melvin Cooper.

When I phoned the Social Security office, I was ignorant of the proper procedure, and still feeling emotional and vulnerable from the death of my husband.

When Mr. Manear talked with me, he was extremely helpful to give me the information I needed, and set up the appointment with your Chattanooga office for November 2.

What was so GREAT about Mr. Manear was that he treated me with such kindness and courtesy and interest, as though I was not just one more person to deal with in the course of a day's work.

I COMMEND HIM TO YOU!

Sincerely,

Leona Park Cooper

Leona Park Cooper
(Mrs. George Melvin Cooper)

2-20-90

Dear Ms. Jones:

It gives me great pleasure to write this note of commendation regarding your employee Mr. Joe Valencia.

When I called Mr. Valencia today with a problem (which was totally my fault) he was kind, patient, helpful & efficient - He is a very courteous, soft spoken young man, totally a delight to deal with in every way.

Congratulations to you, Ms. Jones, on choosing Mr. Valencia as an employee. It is so gratifying these days to discover a young person (or anyone!) who so obviously strives for excellence in a position which must often become most stressful and trying - (Some of us Seniors are not noted for our patience)

Again, thanks to you on your choice!

Sincerely,

L. R. Griffin

There's a happy day ahead of us—
Just waiting around the bend
Jean Kyler McManus

Ms. KING. The popularity of the 800 number is illustrated in its call volume. When we launched this activity nationwide last October, experts advised that we could expect to receive 250,000 calls a week. They were correct about the 250,000 part, Mr. Chairman, only we get 250,000 calls a day, an incredible volume of business. Surveys show people overwhelmingly are pleased with the service they receive and with the courtesy extended by our teleservice representatives, and, of course, I've already discussed our accuracy rates.

Still, the 800 system has received more than its share of criticism—criticism, quite frankly, that surprises me. I never dreamed that in 1990 the concept of toll-free telephone service, long accepted in all sectors of the public, would arouse such vocal opposition. I acknowledge the system is not perfect, and I am not the least bit complacent about the success we have experienced to this point.

I take very seriously our busy signal rates, but, Mr. Chairman, those rates are coming down significantly. In January, the overall busy signal rate was 52 percent. In April of this year, the overall busy signal rate was down to 15 percent. We are making progress, and we should be further improving our service with the launching of our public education campaign. We'll tell you more later about the "Have Breakfast with Social Security" campaign intended to flatten out the volumes of calls coming in so that we can receive them for the 12-hour period that Social Security operators are on duty, from 7 a.m. to 7 p.m., instead of just between 10:00 and 3:00, when we currently receive most of the calls.

I would now like to turn to the matter of the publication of local SSA office numbers in the phone book. One of the purposes of the toll-free network was to direct away from our local offices calls that could easily be handled by our teleservice operators and allow those field office staffs to devote full time and attention to the people who want and need face-to-face service, service that will always be available to those who desire it.

When large volumes of calls come into our local offices, they often interrupt interviews and result in overworked staff, longer waiting times, and less effective service to the people who come through our doors. That's why 89 percent of SSA's managers who replied to a survey do not favor the listing of local office numbers under current conditions. They simply don't have the people to answer the phones.

In three New York communities in which calls were directed to the local offices, busy signal rates ranged from 74 percent to 100 percent. We direct calls to the 800 system to provide high quality service, both in person and over the telephone, and our teleservice reps have instructions to provide local office numbers to anyone requesting them.

The CHAIRMAN. Commissioner, may I interrupt here for a moment?

Ms. KING. Yes.

The CHAIRMAN. We're going to get into a time situation, and is your statement almost concluded? Because we have questions on the very points you are raising.

Ms. KING. It is, Mr. Chairman, and I would be happy to answer your questions at this time.

The CHAIRMAN. Thank you very much. We appreciate your strong, enthusiastic support of the SSA, and what you've said we will take to heart. We appreciate it. We do have some questions. Let me ask you one about the accuracy rate. I know that you challenge the General Accounting Office and their report and their study, and that's all right if you want to do that. You say you're now rocking along with the 800 number at 97 percent accurate. Do you factor in the busy signals and the unanswered calls in that 97 percent accuracy rate?

Ms. KING. We factor in, for our accuracy rate, calls that have an impact, Mr. Chairman, on payment accuracy. The 97 percent figure is based on the number of correct calls over the total universe of calls. If we look, as GAO has suggested, at only the number of calls coming in which could affect payment accuracy, a smaller universe of calls, a rough estimate—and we're trying to get a fix on this because, frankly, we think it's important to look at that—if we look at about one-third of the calls coming in as affecting payment accuracy, and there's a lot of subjectivity in what constitutes a call that affects payment accuracy, then we would indeed be looking at something like a 7 percent payment accuracy error rate, Mr. Chairman.

While I am concerned, extremely concerned, about the 7 percent of callers who get incorrect answers—or the 3 percent, if you look at the entire base—we are, I think, coming to grips with the fact that we do need to begin as quickly as possible to make changes, first to the manuals that our teleservice reps use so that they have clearer, more direct instruction. We also need to continue our close monitoring, and I do think that the broad-based monitoring that we do is important. Finally, we need to continue to provide training to people. You cannot work at Social Security without having adequate and complete training, and then mentoring following training, and then, if necessary, retraining.

The CHAIRMAN. Now, you mentioned in our opening statement, if President Bush's budget is approved as it stands now, that this would give you the new resources that are so desperately needed. What does that mean in not only the number of personnel? Is that a personnel increase that you are seeking, or is that training increases for job training? What does this increase amount to?

Ms. KING. The total request, Mr. Chairman, is for $4.2 billion. That is an increase of $334 million over the fiscal year 1990 budget. The $334 million will permit us to increase our FTE, our full time equivalent employees, by approximately 375 FTE. It will provide us——

The CHAIRMAN. By how many employees?

Ms. KING. About 375 FTE.

The CHAIRMAN. Full time employees.

Ms. KING. Full time equivalent, which takes us to approximately somewhere in the neighborhood of 64,466 work years.

The CHAIRMAN. How many people are you talking about?

Ms. KING. Okay. I think about 65,000 people, Mr. Chairman.

The CHAIRMAN. And President Bush's request would give you how many additional people?

Ms. KING. It would increase the number from where we are now—about 63,000—to about 65,000.

The CHAIRMAN. Around 2,000 additional people?

Ms. KING. Yes. Many of them are part time and many of them are overtime hours, that is, work years equivalent to overtime, but that's the way we have to calculate our submittal in terms of work years.

The CHAIRMAN. Let me at this point, if I might, I've just been handed a note, and I've got to go to the telephone one second. I'm going to yield to Senator Heinz, and then I'm going to rejoin him in about 3 minutes.

Senator Heinz.

Senator HEINZ. Well, is 3 minutes all you can afford on the phone, Mr. Chairman?

The CHAIRMAN. I'll be right back.

Senator HEINZ. Dial 1-800.

The CHAIRMAN. I'm going out to try to call the Social Security Administration.

Ms. KING. Would you wait until 5:00 this afternoon, please, Mr. Chairman?

The CHAIRMAN. All right.

Senator HEINZ. Obviously, I want to join Senator Pryor in welcoming Gwen King to the Committee, and, Gwen, thank you for correcting the record. It just seems like you've been at SSA for a year, when, in fact, it's only been about 7 or 8 months, but my point is that you haven't been there very long.

Whether or not the agency is performing perfectly is really not the question. As we all know, nothing is perfect, and the question is how serious are the problems and how quickly can we act to clean them up? Certainly, you have been very attentive to those responsibilities, and I think every member of the Committee appreciates the work you're doing, and we really do want to help you in every way we can.

One issue which you and I have discussed on other occasions is whether there are staffing imbalances and whether a staff beyond the President's budget request are needed. There seems to be a considerable amount of evidence of staff shortages, at least in some of the field offices, some of the teleservice centers, and certainly at disability determination units, and I gather that for at least 5 years the General Accounting Office has recommended to SSA that the agency conduct a comprehensive workload analysis to determine true staffing needs.

My understanding is that such an analysis hasn't been conducted. If that's correct, why not? If it hasn't been conducted, how do you know that you don't need additional staff?

Ms. KING. Senator, the initial attempts by our analysis group in human resources to look at staffing needs stopped me from sending them into a full blown study. What I saw initially was enough for me to know I had to act very quickly and could not wait for the results of the entire study.

We saw right off the bat that staffing imbalances had occurred. In some offices, notably offices in suburban areas where most of the work coming in had to do with Title II claims, there had been very little shifting of staffing. In other offices, most notably in larger, urban offices with heavy SSI workloads, staff losses sometimes approaching 50 percent had occurred over the last 6 years.

I had to move very quickly to put people back in place, because we were losing the battle, and that is why we sent out strike teams all over the country to all 10 regions——

Senator HEINZ. I'd just like to point out that you sent strike teams into both Pittsburgh and Pennsylvania, and they were very useful.

Ms. KING. Well, thank you, Senator. I appreciate your saying that, because once we got there we found not only that we had to put people back in offices, but that our offices were operating without equipment necessary to do the job. We found that in some offices we were photocopying forms—forms that would cost only a fraction of the photocopying costs if we were printing them and distributing them on time.

In one office we decided to ask how the copy machines were working. They ran a copy for us, and the copy paper came out as blank as it went in. So we had to stop in our tracks and see how all of our photocopiers were working. As a result, this year we will repair or replace over 300 copy machines. But from equipment, to computer terminals for processing claims, to personal computers, to supplies, to paint to cover up graffiti on the walls, the strike teams' work, I believe, justified our holding off on a full blown study so that we could bring immediate relief to our employees.

We will be going back and looking again during our work for the fiscal year 1992 budget. We have begun to zero base all of our needs as far as workload and information technology systems and all the rest is concerned. So we're getting there.

Senator HEINZ. Ms. King, could you clarify one thing for me regarding the President's budget request as it was sent up here at the beginning of the year? How many additional staff will be added net under that request?

Ms. KING. Net additional staff. The President's budget adds an increase of 375 FTE to the 1990 estimate in our fiscal year 1991 appropriations request.

Senator HEINZ. FTE stands for?

Ms. KING. I'm sorry, full time equivalents. It is equal to 375 full-time employees on duty for a full year.

Senator HEINZ. Those are real full timers or they are the equivalent of full timers. I don't understand. There may be a reason why they're identified that way.

Ms. KING. It's a measure that is used, Senator, whenever we're dealing with those who do budget numbers at our budget offices downtown and in OMB. It represents cumulative work years of effort by full-time and part-time employees, exclusive of overtime hours.

Senator HEINZ. Would it be fair to say that in terms of increasing full time staff who are permanent hires, there is essentially no change, and that is not allowing for the addition of 375 full time equivalents?

Ms. KING. I think it would be fair to say there would be an increase of more than 400 people by the end of this September, which the additional FTE's will fund in fiscal year 1991.

Senator HEINZ. There are how many people working at the agency now, roughly?

Ms. KING. Well, by the end of this fiscal year, this will put us at a level of about 65,000 employees, including people who work part-time maintaining this level of employment by replacing losses throughout fiscal year 1991 will yield about 62,875 FTE.

Senator HEINZ. So 400 is a very small increment—staff remains virtually level. Not to say that the 400 people aren't welcome, but it's a very modest increase. Four hundred additional staff doesn't take into account what I know you and the rest of the agency are very concerned about—how you're going to handle all the *Zebley* cases. A settlement out of court could result in 250,000 cases requiring review; if it goes back for a court determination, and you have to review all the way back to 1980—which appears highly likely—you could have up to 400,000 cases subject to review. How many more people do you anticipate that *Zebley* is going to require?

Ms. KING. Senator, what we've tried to look at with *Zebley* is the impact for the agency in terms of increases that will be necessary for our budget. You're absolutely correct that a good part of the impact will depend on how the negotiation comes out and whether the size of the class action goes back indeed to 1980 or back to the time that the law was enacted. It could impact this agency, and these are rough estimates, anywhere from more than $100 million for administrative costs to well over a billion dollars for program costs, depending on the size of the class.

Senator HEINZ. Once you start processing *Zebley* decisions at a workman-like rate, how many full time equivalents are going to be required? It's going to be a fairly substantial increment in terms of workload, is it not?

Ms. KING. It may mean that a goodly portion of our employees are going to be working on *Zebley* redeterminations. It will also impact heavily on our State DDS's. I will provide you that number, Senator, for the record when it is available. I do not now have that estimate.

Senator HEINZ. What I'm trying to get at is the manpower demand that processing *Zebley* cases will require. I'm not saying how many people are you going to hire, the question is how much work is it going to impose? How many man years? Is it 2,000 man years? Is it 5,000 man years? What is it? Obviously, I'm not in a position to estimate that, and if you would like to supply that for the record, that would be helpful.

Ms. KING. We will when it is available. As I mentioned to you a couple of weeks ago, we are still trying to get a full assessment of that number, and the minute we have it, we will share it with you. It is going to be important for all of us to understand that in matters like the *Zebley* case, either we're going to have to come back to you with a request for additional resources, or we will have to do it out of our hide, and, as you know, that probably means that it would not be able to be done without affecting other workloads or the quality of SSA's public service.

[The estimates can not be supplied at this time. We will forward the estimates to the Committee as soon as the information needed to make the estimates becomes available.]

Senator HEINZ. On the workload issue generally, we've all mentioned Herb Doggette's memo where he indicated that pending

workloads, to use his phrase, were becoming "out of control," and, as I think you know, I wrote you yesterday to ask you for the results of the inventory of pending workloads at field offices that your agency recently conducted.

Now, I know that the results are preliminary, but I know you being the efficient, effective administrator you are that you probably are way ahead of us and have a very clear idea of those preliminary findings. What are your impressions of that workload inventory and whether or not it mirrors Mr. Doggette's memo?

Ms. KING. It does mirror Mr. Doggette's memo, Senator, which I will again point out was delivered to me at the end of March, just before Mr. Doggette resigned from the agency. As the Deputy Commissioner for Operations, Mr. Doggette was in a good position to observe where those workloads were heading, and indeed I have searched the records, and it's more in sorrow than in anger that I say I wish I had known this well before the end of March.

But I will be direct and say that if we are not going to see any increase in resources, our workloads are going to continue to climb. Our claims workloads are under control, because we have put resources on those workloads. We have recently gone to the Office of Management and Budget with a request for money from the contingency fund, which, I must say, we appreciate your putting in last year, and $48 million was released to us, which was a goodly amount. We were able to share some of those resources with the State Disability Determination Services, as well as to put in more overtime and to increase training for employees.

Currently, having now gotten just the preliminary numbers in, and this is not the complete picture, we realize that we are going to have to again circle back to OMB. I spoke today with our Assistant Secretary for Management and Budget, Kevin Moley. He has reviewed my recent request, and we will be sitting down with our friends at OMB to share with them our latest picture.

But it is a shame that that information has to come in at this late date in the year, and only after our very strong direction that it come from every field office feeding that information in to us. I do believe that the current request that we are going to be putting together can serve to stabilize our workload numbers through the end of this fiscal year.

But, Senator, you put your finger right on it. With the processing of *Zebley* cases beginning as early as next year, we're probably going to be coming back to you with an additional request.

Senator HEINZ. Well, Senator Pryor has said you will have very strong support from this Committee and also from the other committee on which we serve, the Committee of Legislative Jurisdiction, which is the Finance Committee, and so I thank you for that very frank and candid assessment.

Ms. KING. Thank you, sir.

The CHAIRMAN. Thank you, Senator Heinz.

Two or three questions, Commissioner King. One, I know that probably when you all are just sitting around, I know you don't have time to sit around and have coffee, but when you're just informally visiting with your staff, you're probably talking about that old fogey from Arkansas, Senator Pryor, who believes in these local

offices and believes in local contact and people-to-people service rather than talking on a 1-800 number.

I'm sorry that I'm that way, but that's just the way I am, and I may or may not change. I doubt that I will ever change. But at any rate, notwithstanding all of that, are you going to do anything now about the local offices? Are you going to try to beef up the local offices? Are you going to print in the local telephone directories the numbers for the local offices?

Ms. KING. Senator, let me say this about that. We estimate that there are approximately 400 field offices that currently have the staff to handle large volumes of calls coming into local offices. I believe that it would be unfair and almost cynical for us to send large volumes of calls back to field offices until we are assured that they are all in a position to handle those calls.

That was the consensus of the SSA Managers Association polling, which said that if we have just the staff we have right now, this is not the way to go. What I have tried to do as a compromise, Mr. Chairman, in recognition of the fact that not only do old fogies like local service, but some of us believe that people ought to have an option, is direct that whenever a call comes into our toll-free number and the caller requests the number of the local office, it be given.

I believe if you see a number printed in the telephone book, that's likely the number you're going to call. Now, there are two things that will happen. First of all, we will never be able to capture whether people are getting busy signals when they call local field offices.

The CHAIRMAN. That's not factored in your 97 percent accuracy rate, I don't believe. Is that correct? The busy signal.

Ms. KING. The busy signal rates are not now factored into our accuracy rate, but if we send calls directly to the field offices, we won't know for certain what our busy signal rate is. All that valuable information will be lost because we simply won't have any way to capture it as we do now with the 800 number.

The other problem that we will have is that we will likely have to figure out how we get our work done, because right now the calls are not going into field offices. People who are conducting interviews based on appointments and people coming into the local field office are not having their interviews interrupted by constant calls. So unless we can get new people on board in all those offices to handle those calls, we're going to be impacting on the very people who are holding down the fort helping those who visit an office.

What we have tried to work out, and it has not yet been successful, is some way of seeing if we can phase in additional offices, because, frankly, if we start putting calls back into all local offices, we're going to have to run two telephone systems at one time. We're going to have the 800 number, and we're going to have a parallel system in our field offices. Our outside estimates are that it could cost us as much as $85 million. I know your work on your other committee, Mr. Chairman, and I know how you feel about wasteful spending, and I don't believe this is the time to go in that direction.

I think what I am doing right now is the best approach—getting recommendations from our expert panel of executives for improving the 800 number, while still providing service focused on local areas, continuing to give the local telephone number whenever it's requested so that people can feel that we are there for them, and continuing to reach out to all the people who might be calling in, whether they speak English or not. I think we need to move as slowly as possible.

We moved so quickly in setting up the 800 number that we could not have anticipated this kind of problem, but now that we know where we are, I think we need to have the time to smooth it out.

The CHAIRMAN. Commissioner King, thank you. One comment, and then one final question. The comment is, we've had a lot of testimony this morning about studies, the GAO study, your reports and findings, we've had a lot of comments about accuracy, inaccuracy, what have you, but I would think if we could poll the offices of 100 U.S. Senators, especially our local offices like we have in Little Rock and like Senator Bumpers has in Little Rock, I would surmise, and I'm speculating, that the more rapidly you have moved or SSA has moved, including your predecessor, to the 1-800 out of the field offices, out of the local offices, for service contacts, the more rapidly that system has grown, the more complaints that we have received from our constituents.

Having said that, let me, if I might, say that we will have this discussion at another time. I know it will be ongoing, and I want you to know that the next time I see you, we'll be visiting about this issue.

Now, you're talking about President Bush's request. You're talking about another $350 million request. I'm proud you've made that request. I think that we have really dismantled to a large degree this service institution. You cannot run a service institution without people and without qualified people, but you're talking about an additional 400 employees that you're buying with this extra $350 million.

That's about eight new employees per State. Eight new employees per State. Now, where is the rest of this money going? It seems like you don't have a high priority on hiring new people or bringing new people in to service these hundreds of thousands of claims or those 250,000 phone calls you receive daily.

Ms. KING. Senator, let me respond——

Very quickly, I think it's important to point out that we do have State partners, and $54 million of that request will be going to our State disability determination services, which have not had an increase in 2 years, and they are on their knees.

We are also going to be moving some more claims processing terminals into field offices so that everybody can have access to the latest modern equipment. Right now, we're using one terminal for two people; by the end of next fiscal year, the people who need a terminal will have it so that they will not have to stand in line to use one and will be able to provide better service to people calling in.

We are going to provide training. Our folks need it; we need to give them the tools they need to do their job; they want to do the best job; they need supplies; they need it all. This budget will stabi-

lize the agency. It's not going to get us back to where we were in 1984, but by the time we finish with this budget, if we get the budget in full, we will have a stabilized, well-trained, highly skilled workforce, and we'll be ready to move into the 21st century.

The CHAIRMAN. Commissioner King, thank you. In this Committee, once again, you heard the expressions of many members this morning who have stated that we want to help, and truly we do want to help. We want to be a partner with you in serving this constituency that is not only yours, but certainly ours. Thank you very much for your statement.

Ms. KING. Thank you, Mr. Chairman.

The CHAIRMAN. We will call our next panel, Sandra Boles from Fairborn, OH; Myrtle Osburn from North Little Rock, AR, and Ms. Osburn is going to be accompanied by Donna Spurrier, of the Central Arkansas Area Agency on Aging Office from Conway; and Paul Welch from Williamsport, PA, from the Susquehanna Legal Services.

Now, we have three case stories right here, three individuals who have, I think, a story to tell, and we're going to first call on Sandra Boles from Ohio.

Sandra, we welcome you this morning. I think you've been sitting here very patiently listening to all of this, and we thank you for your patience, and we appreciate you coming today.

STATEMENT OF SANDRA BOLES, FAIRBORN, OH

Ms. BOLES. Thank you. I appreciate you having me here. I appreciate the opportunity to be here and state the problems that I have encountered. I'll try to be as quick as I can.

My problem, I guess, originally occurred some 15 years ago. It seems that Social Security assigned the very same number to myself and another person. I can understand how the mistake was made, because the other person and I have very similar maiden names and also have the exact same birth date. I have no problem understanding how the mistake occurred.

I do have a problem with the suggestions on how this would be handled. The mistake was discovered by the IRS, so I am quite sure that in the not too distant future I will have the opportunity of evaluating the audit process. The mistake was discovered in October 1987. The other person was audited by the IRS and wrote a letter to my employer asking what was going on, someone is using my number.

They then came and checked my card and said, "you need to call Social Security." I called Social Security and was told that that was absolutely impossible, it cannot happen. It took them 6 months to decide that it could happen, and they contacted me again 6 months later and summoned me to appear at the Dayton office and present a birth certificate and so forth. They were going to issue me a new number.

By the time I got to the Dayton office, I had several questions regarding what was going to happen with my credit history, my retirement fund, and various other things that the Social Security number is attached to, whether we like it or not. The answer I got

was that was no concern of theirs, it was my problem, please sign the application for a new number.

I said, "you mean you're not even going to write a letter explaining that the mistake occurred?" Because if I walk into a credit bureau and say, "hi, I have a new number," I'm going to get nowhere. They said, "we don't write letters, you are on your own." I said, "thank you for the opportunity to fill out the application, no, I don't want a new number, I'll keep the one I've got, or I'll give it back if I don't have to take a new one. I would be better off without." From there it has been an incredible ordeal.

The CHAIRMAN. This started in 1987?

Ms. BOLES. It was discovered in 1987.

The CHAIRMAN. I see.

Ms. BOLES. We spent several years battling back and forth with their only request being that I fill out the application and my only request being that you write a letter explaining the situation for me. At each point, my request was denied. I then sought legal counsel, I have been to lawyers, I have been to Social Security's lawyer at the Dayton office, Mr. Clayton Webber. I have been to Federal district judges, and each time I've been told, "there is nowhere you can go to solve this problem."

The next couple of years, we have battled. In December 1989, I received a letter saying that they were going to eliminate all of my earnings and all of my history from their files unless I filled out the application. At that point, I encountered the 800 number, I called the 800 number trying to get in touch with the Xenia office, I explained the situation, that we were making progress, and I needed to talk to a specific employee at the Xenia office who had agreed to write my letter.

The woman told me that that was the most bizarre story she had ever heard; however, I could not talk to the Xenia office and hung up. That was my encounter with the 800 number.

The CHAIRMAN. The local Social Security office that told you this?

Ms. BOLES. That was the 800 number.

The CHAIRMAN. The 800 number.

Ms. BOLES. I contacted them trying to get the local office, and they said that was an insane, bizarre story, sorry, and they hung up.

The CHAIRMAN. Commissioner King has just stated that now they're trying to tell people if you dial the 800 number and if you get someone on the other end of the line about your particular problem, and you ask what the local office number is, that they're supposed to tell you what the number is. Did you try to find out what the number of the local office would be?

Ms. BOLES. I did try to find out the number of the local office. This particular SSA employee had requested that I call her back. I had left the number at my home, and I was calling from work, and they said, "I'm sorry, I can't give you the number, if she really wanted you to call her back, she would have given you the number herself," and she hung up. At that point, I did get in my car and drive to Xenia. I figured if I'm there, I'm within arms reach.

From that point, it has been a fiasco. I did get a letter of explanation, I did apply for a new number. On one occasion, I got a du-

plicate card of my old number, the paperwork was sent back to Baltimore, and I did get a new card with a new number. None of my earnings have been transferred to my new number, and I won't use the new number until they are. I've been told that if I use someone else's number knowingly, I can be put in jail. That's okay.

The CHAIRMAN. What's happened to the person with your Social Security number?

Ms. BOLES. When she contacted her Social Security office, she was told that probably an illegal alien was using her Social Security number in order to obtain work.

The CHAIRMAN. You don't look like an illegal alien.

Ms. BOLES. I'm not.

The CHAIRMAN. But have you had contact with this individual?

Ms. BOLES. I did get to meet her, because, at that point, my frustration was so great in dealing with the whole system that I decided that I would contact the media.

The CHAIRMAN. I'm still curious about this person. I wish we had both of you on the panel this morning so we could compare notes. Has she had the same frustrations?

Ms. BOLES. She has not had any problem. She believed what they told her, that an illegal alien was using her number, they told her they would take care of that problem, and she assumed there was an illegal alien in jail somewhere.

The CHAIRMAN. Is she also from the State of Ohio or from another State?

Ms. BOLES. No, she is from Sunset, UT, and, once I contacted the media, they have been by Godsend. They put it in the Dayton paper, AP and UPI picked it up, it appeared in over 200 newspapers, several radio and TV stations, and the other person, who is Sandy Johnson, and myself were flown to New York City to appear live on CBS This Morning on February 8. On February 9, I had a new card in my hand. So the media has been my salvation in this whole thing.

The CHAIRMAN. It took getting on the television. Have you encountered credit problems as a result?

Ms. BOLES. I have encountered credit problems, I had to refute a legal suit that appeared on my credit report when I applied for a mortgage. The legal suit belonged to the other person, and try to explain that to a mortgage company.

[The prepared statement of Ms. Boles follows:]

Sandra Ferguson Boles
2933 Valleyview Drive
Fairborn, Ohio 45324

I appreciate the opportunity to come here today and testify before this committee. My experiences with SSA over the past three years are the result of the fact that SSA assigned the same SSN to two different people. The error is somewhat understandable, in that the other person and myself were given very similar names at birth and are exactly the same age. The manner in which SSA has attempted to resolve the problem has been unacceptable at best. This ordeal began in October of 1987. Sandy Johnson of Sunset, Utah wrote a letter to my employer, Wright State University, asking who was using her SSN. When the payroll department notified me of the letter I called SSA to find out what was going on. I was assured and reassured that it was not possible for two people to have the same number. By May of 1988 the Dayton office of SSA had contacted me requesting that I apply for a new SSN. I began asking questions regarding the procedures for separating two sets of credit history, tax records and so on. I was informed that any problems with our records was of no concern to SSA. My request for a letter from SSA to help explain the problem to the credit bureau, IRS, License Bureau, payroll department, mortgage company, state retirement system, health insurance carrier and a host of others was denied. Consequently, their request that I apply for a new number was also denied. I have experienced untold stress and frustration as a victim of SSA's incompetence. In January of this year I did apply for a new number because SSA threatened to eliminate all information pertaining to me from their files. At the present time I have two numbers, my original number with my life history and that of the other person still attached. And the new number, issued in February of this year. My earnings records still have not been transferred and I will not use the number until they are. During the fifteen years that I have been employed, I have always been in customer service. With the exception of one woman, the people I came into contact with at SSA had no concept of customer service. On the day I attempted to return a call to this woman I encountered the SSA's 800 number. After one and one half hours I got through. I gave the name of the woman handling the case, details regarding the case, and explained that she had asked me to return her call. I was told that if she had really wanted me to call her back she would have given me the office telephone number and the person hung up. I had to drive out to Xenia once again. This incident with the 800 number convinced me that it was time to go to the media. The story has appeared in over two hundred newspapers, aired over numerous radio and TV stations, and myself and the person who shares the number appeared live on CBS This Morning February 8, 1990. Thank God for the media. All things considered, I still feel very lucky to be dealing with this now instead of 30 years from now. While spending hours standing in lines at SSA offices, I have seen the elderly, the hearing impaired, the mobility impaired, and people suffering the recent loss of a loved one go through the same agonizing steps. I observed an elderly woman trying to return the benefit check of her deceased husband for the second month. The SSA employee explained that the man was not listed as deceased in their computer and after refusing to take the check back suggested that the woman take it to the bank and ask them to deposit it. After twenty minutes the woman gave up and left. The person immediately following was there because he was no longer receiving his check. Upon checking, SSA discovered that he was listed as deceased in their computer. I have to wonder if the idea is to frustrate people so terribly that they don't come back. That would certainly lower the case load. Due to the publicity my situation has received, I have received many letters and phone calls from all over the country from people who have also been victimized by SSA. Until recently, most of these people were anxious for me to bring their letters here today. However, all but one have withdrawn their requests due to fear of reprisal by SSA. These people need an ombudsman now. If further proof of this is necessary, go to a social security office and listen. You will be amazed at the answers you hear. This segment of our society deserves nothing less than caring, compassionate, timely assistance. The employees of SSA and their families will expect nothing less when it is their turn.

The CHAIRMAN. I'll tell you what we might do, Senator Heinz, if this is all right with you. Why don't we go to our friend from Arkansas, Myrtle Osburn, and let her go through her story just a moment.

Ms. Osburn, if you would bring the microphone closer, we would appreciate that, and then we will hear from our three panelists, and then we will follow on with questions.

Senator HEINZ. I think that's an excellent way to proceed, Mr. Chairman.

The CHAIRMAN. Thank you, sir.

STATEMENT OF MYRTLE OSBURN, NORTH LITTLE ROCK, AR, ACCOMPANIED BY DONNA SPURRIER, CENTRAL ARKANSAS AREA AGENCY ON AGING, CONWAY, AR

Ms. OSBURN. Well, I'm Myrtle Osburn. I live in North Little Rock, AR, in the rural area in Pulaski County. I had problems with Social Security at one time, but I got it through. I was 60 years old, and I had a heart attack. I finally got enough Social Security through and was drawing $177.10 of widowers benefits, which it's hard to get by on that little money.

I had no other income at the time, and I was on heavy medication. I had become a diabetic in the time being and was taking a lot of medications. I had to ask my doctor the medication I needed worse, because I didn't have enough income to get the medicine with, and my medicine bill was running from $50 to $100 a month, and with a low income like that, you don't have much left to live on.

I would ask the doctor which one of my drugs was the most important, I would have that prescription filled and get the others partly filled until my check came in, and then I would get as much as my check would allow me to buy, of course, which wasn't too much.

The CHAIRMAN. How much was your monthly check?

Ms. OSBURN. It was $177.10 at that time.

The CHAIRMAN. All right.

Ms. OSBURN. When I was 62, I tried to get SSI and was turned down. I was told that I was not disabled and that I probably never would be getting SSI.

The CHAIRMAN. You just calm down now and take your time.

Ms. OSBURN. Sorry, but I have a throat problem, and I can't hardly talk.

The CHAIRMAN. You're just doing fine, thank you.

Ms. OSBURN. Later that year, I got $10 in food stamps, and about a year later I got more food stamps, I got about $80 worth of food stamps. By this time, I had become a diabetic as well as having high blood pressure, heart trouble, and having kidney problems and allergies. Then my medical bill went to about $98 every month, and there was very little left out of the check. I had gotten I think at this time $194, but I still had problems meeting my bills.

I met a girl down at COPE, and she gave me a silver passport book, and I called the Aging Agency, and this lady came and helped me fill out an SSI application, and I finally got it through. Now I'm receiving that with other benefits, but I can tell you for

sure, it's still no more than I'm drawing, and it's very hard to make my bills. There are times that I just don't hardly have enough. If I didn't have some good people that kindly let me go a little bit once in a while, I wouldn't make it.

The CHAIRMAN. In other words, you mean to extend you some credit?

Ms. OSBURN. Yes. Another thing, you can call some of these offices, God knows I've tried, and some of the times they'll put you on hold, and you sit there for an hour, you haven't heard a thing, you think they forgot you, you call back, and they stick you right on hold again. The next time you try to call, you call back at 3:00. At 3:00 they close the office. What are you going to do? How are you going to get through?

The CHAIRMAN. Did any of the people during that period of time, and that was an extended period of time until you got your SSI, did any of the people in the Social Security offices or that you talked to, did they tell you that you were entitled to SSI?

Ms. OSBURN. No one informed me about SSI after the failure that I had to get it.

The CHAIRMAN. Do you know other of your friends, say, in your age category, or perhaps in your social or church circles, that are in that same situation?

Ms. OSBURN. Yes, there's quite a few in Arkansas in that same situation.

The CHAIRMAN. People just don't know about this in many cases.

Ms. OSBURN. Right. They're uninformed, and they well need to be, because I'm going to make it plain. Some of us can't read for the lack of the eyes, some of us can't read for the lack of education, and it's certainly hard to get through.

The CHAIRMAN. Did you ever try the 1-800 number we've been talking about, or did you try the local offices?

Ms. OSBURN. I tried the local office, and only one time I tried the 800 number, and I didn't get no answer at all.

The CHAIRMAN. How many times did you try the 800 number, do you recall?

Ms. OSBURN. Well, I called about three times one day, and I did not get through.

The CHAIRMAN. You also now are getting some food stamps, I believe you stated?

Ms. OSBURN. Yes, I'm getting $20 worth of food stamps now.

The CHAIRMAN. Your drug costs are still going up, aren't they?

Ms. OSBURN. They sure are. I've got a little old Medicaid card here that helps me a little bit, but it pays for about four medicines, I believe, and the rest of it, at least, I have to take out of my pocket $20 to $25 a month, every month, plus what they pay for.

[The prepared statement of Ms. Osburn follows:]

Testimony of

Mrs. Myrtle Osburn

North Little Rock, Arkansas

My name is Myrtle Osburn. I live in a small mobile home on Route 9, Box 280-E. North Little Rock, Arkansas, located in Pulaski County.

In April of 1981, at the age of 60, I began to receive widows benefits of $177.10 per month from Social Security. I was also working in a canning factory in Illinois to support myself. On October 25, 1981, I had a severe heart attack and that was the last day I was physically able to work.

In May of 1983 at the age of 62 I applied to Social Security for Supplemental Security Insurance (SSI) disability and was denied benefits. I went to many doctors in this area that the Social Security Administration sent me to and all of them would tell me I was not able to work, but none of them would fill out the papers saying that, to take back to the Social Security Office.

When I returned to the North Little Rock Social Security Office to be told I was denied as not being disabled, a very rude lady working in the office went on to tell me I would never get Supplemental Security Insurance (SSI) because I was not eligible. I can't remember the lady's name and she was not only rude to me, but to everyone else in the Social Security Office that day. I do not remember her, or any one else in the Social Security Office telling me I could appeal my denial.

I did apply for and receive food stamps later in 1983 at the age of 62. Each year I had to go into the office of the Department of Human Services to be recertified to continue receiving my food stamps and even after reaching the age of 65, no one at the Department of Human Services ever told me I might be eligible for Supplemental Security Insurance (SSI).

During these hard years my prescription drugs alone would run as high as $98.00 per month. I could only get half of them because of the high cost and would ask the doctor which were the most important ones to take to try to stay alive.

Many, many days I was not able to eat the right kinds of food for a diabetic and most days I could only afford 2 pieces of toast and coffee for breakfast. One time, I was out of bread for 3 days and only had some dried beans and a few potatoes left to eat before my check came.

During the winter months I did not have enough money to pay for much butane and many days and nights I was cold, even in my home. My water pipes froze and burst and I was without running water for 3 years and had to carry water from an outside faucet down the road into the house to flush the toilet and to heat on the stove to wash dishes and use for bathing. One day one of the church members found me carrying water and the church paid for having my water pipes replaced.

Part of my electric and water bills had to run over into the next month but both companies were very nice about this and did not turn off my utilities.

My friends and neighbors would give me clothes and shoes.

I was getting some letters from a collection agency about a hospital bill of $140.00 I owed and I sent them $20.00. They wrote back to say that was unacceptable and demanded full payment.

I was at my wits end when I was given a Silver Passport Magazine by a worker from C.O.P.E.. In this I found the name and phone number for the Central Arkansas Area Agency on Aging and called to see if I could get some help with that hospital bill.

A casemanager came to my home and filled out an application for SSI for me and assisted me in getting many other public benefits. I am now receiving Social Security of $230.00, SSI of $165.00, and $20.00 in food stamps. I also get energy assistance each winter and summer on my heating and electric bill, had some minor repairs done to my mobile home including back steps and repair to the front door. I now get a Medicaid card that pays for all of my prescription drugs except lor 2 which only cost me approximately $25.00 per month.

At the beginning I did feel resentment because no one told me I might be eligible for SSI even at the age of 65, nor about any other help I could have gotten. But after much prayer I no longer feel resentment to the workers because I think it was my responsibility to find out these things. But in the future I would appreciate it if all workers would tell the old people and help them fill out the forms to get benefits started for themselves.

The CHAIRMAN. Senator Heinz.

Senator HEINZ. Mr. Chairman, I'd be happy to have the rest of the witnesses make their comments, if you would like.

The CHAIRMAN. All right. Then we'll ask some questions, and, Donna Spurrier, if you want to add on anything in a moment.

Mr. Welch.

Senator HEINZ. May I just say, Mr. Chairman, that Mr. Welch, who looks very young, is indeed becoming an old pro before this committee. He was at the 1983 hearing that Senator Glenn and I referred to earlier. Paul, welcome back. Even though you've changed very little, I know you've moved from legal services to the AAA agency in Williamsport, if I understand your career path correctly.

STATEMENT OF PAUL WELCH, SUSQUEHANNA LEGAL SERVICES, WILLIAMSPORT, PA

Mr. WELCH. I went from one legal services office to another legal services office. The last time I was here, I worked for Central Pennsylvania Legal Services, I now work for Susquehanna Legal Services. That's named after a very beautiful river in Pennsylvania.

Robert D. Miller, who is a client of our organization, asked us to place his statement before this committee. Mr. Miller is unable to attend due to ongoing health problems, and I would ask that the written statement that I've submitted to the staff be included in the record.

The CHAIRMAN. The full statement will be placed in the record.

[The prepared statement of Mr. Miller follows:]

STATEMENT OF ROBERT D. MILLER, WILLIAMSPORT, PENNSYLVANIA

I want to thank you for giving me the chance to describe how the Social Security Administration handled my case. As someone who had worked hard all their life up until I got hurt, I was only ever trying to get what I believed was coming to me. I feel I have been put through a lot in the last eight years. Because I am having continued health problems, I have asked my attorneys, Susquehanna Legal Services, to place my statement before this Committee.

Next week I will be 64 years old. I only got to the 7th grade as a youngster. I then worked as a farm worker, mason's helper and carpenter's helper.

On February 25, 1979, I suffered a real bad fracture to my left leg and was not able to work thereafter. I applied for and received Social Security disability benefits until 1982, when I was cut off. The Social Security Administration said I could go back to work but I didn't really think so. I didn't believe I could because I re-injured my leg in 1980 and the doctors found out that the original fracture had never healed properly. Nonetheless, I thought the Social Security Administration knew the law and therefore, I thought I wasn't entitled. I had and continue to have a lot of pain. Now, I have other problems like cataracts, a broken hip and I have just learned that I may have lung cancer. Between 1982 and 1985, I survived on Public Assistance payments.

In 1985, I was advised that I could choose to have my case reviewed and that I could have my benefits restarted while the Social Security Administration decided my case. About three (3) years later, the Social Security Administration told me once again I wasn't disabled. I requested that the decision be reconsidered. The Social Security Administration still ruled against me. It wasn't until the hearing that I had in November of 1989 that I finally received a decision which says that I've been disabled all along, that is, since March, 1982 when my benefits were originally terminated.

In addition, I was told after the initial decision in 1988 that I was also not eligible for Medicare. I filed a timely appeal of the decision and then was told I could use my Medicare card. I checked on this twice and both times I was told my Medicare was still active. Shortly after this, I was informed that my Medicare was terminated even though I had filed an appeal. I tried to learn what the true status was by stopping by the local Social Security Administration office; however, I could get no helpful information. Eventually, my

representative at Susquehanna Legal Services learned that the appropriate forms had never been processed by the Social Security Administration. I was told to hold my medical bills and submit them later. In fact, I ended up paying them myself when I had problems with cataracts on my eyes.

The decision which says I'm now disabled also says I can get Medicare back to 1981. However, I must pay a premium, according to a notice I received from the Social Security Administration, amounting to $1933.50.

After I received an initial determination that I was ineligible in 1988, I also received a notice in September, 1988 saying that I was overpaid $15,701.60 in Social Security benefits. The notice also said that the overpayment had been larger, but it was reduced because the Social Security Administration held my monthly checks for July and August, 1988. I received this notice and withholding of the checks took place even though I had filed an appeal of the decision denying my continued eligibility within ten (10) days. It was my understanding that I would continue to receive benefits until I at least got a hearing if I filed my appeal in time. The notice about the overpayment also said that if I did not pay all of the money back within thirty (30) days, the Social Security Administration would withhold my entire check beginning December, 1988.

I went to the Social Security Administration office and filed for a waiver even though I didn't think there should be an overpayment. It was lost and I had to file another one. Despite the fact that I was once again declared disabled clear back to 1982 when I was originally cut off, I have received no official word that the overpayment has been cleared. In fact, although I was told unofficially that there wasn't any overpayment, it's still listed on my records. I still haven't received payment for the July and August, 1988 checks that were withheld.

While my continued eligibility for SSD was being reviewed, I broke my hip and had to have it replaced. During my stay in the hospital, an application for SSI disability benefits was taken. I

received a notice in late November, 1989 that I was entitled to benefits and would shortly receive a check. I received only one. I didn't receive any more. I called the toll-free number and was told I was not eligible for SSI disability. The next thing, I received two notices in the mail stating that money would be withheld because I was overpaid SSI. I never actually received a notice stating that I was overpaid SSI disability benefits and stating that I could challenge this or ask for a waiver. I tried on several occasions to get information about this from the Social Security Administration office, but was not successful. Although I was declared eligible for SSI at the same hearing which said I was entitled to SSD back to 1982, I still have not received official word that there was no SSI overpayment.

I don't think I did anything wrong or incorrect. I cooperated with the Social Security Administration as much as I could. I went to its office and called the toll-free number often in an attempt to make sure everything was all right. My representative has also contacted the local office. Things are still not right.

Thank you.

Mr. WELCH. If I might, I'd just like to make a couple of comments about Mr. Miller's case. Two important points. First, it took 8 years for the Social Security Administration to admit they were wrong in terminating his disability benefits. During that 8 years, this is the second important point, the Social Security Administration created other problems which continue even today.

For example, in 1985, as part of a continuing disability review process, Mr. Miller was asked whether he desired to have his case reviewed and whether he desired to have his benefits reinstated. He asked that be done, an initial determination was made, and he was once again determined not eligible. He timely appealed that decision.

Shortly thereafter, he received a notice of an overpayment. That overpayment was supposed to be for $15,000. As part of that notice of overpayment, the Social Security Administration indicated that it would have been higher, but they conveniently took some benefits for July and August 1988, even though he didn't know that he was overpaid, even though there isn't an overpayment today because, eventually, in November 1989, an administrative law judge found his disabled back to his termination point in 1982.

In addition, he had problems with SSI overpayments as a result of this, and, in addition, even though he filed a timely appeal and he was told at least twice his Medicare benefits would continue during the appeal process, they, in fact, were stopped. When he inquired about this at the local office, they said, "well, there's a processing problem. Hold your medical bills and submit them later on."

Well, unfortunately, Mr. Miller had some cataract problems, and he wasn't able to do that, and he ended up paying those. To this day, we still haven't resolved the fact that there is an overpayment on his record for $15,000, there's an SSI overpayment, and these people still haven't given him his money for the months that they took from him.

Unofficially, when we talked to the local office, yes, absolutely, there is no overpayment, yes, he's entitled to these benefits, but we can't erase the record, and we can't get him his money.

Senator HEINZ. Mr. Chairman, may I interrupt at this point? Is there someone from the Social Security Administration here? Would you please meet with Mr. Welch after this hearing and get this straightened out? This has been dragging on nearly 8 years, and it seems like a cruel and unusual punishment to somebody who paid into the Social Security funds for his entire working life. Will you promise me to get this straightened out? Either have the meeting now, and get it straightened out for sure next week. What's your name, sir?

Mr. FISHER. Joe Fisher.

Senator HEINZ. Mr. Fisher, thank you very much. I'd appreciate that.

Mr. WELCH. Unfortunately, Senator Heinz and Senator Pryor, I don't think this is an isolated case. I would refer you to my statement that I would ask be placed in the record, the written statement that I made, but I also would like to just note that I was here 7 years ago, as Senator Heinz pointed out, I'm now back, I hope I'm not going to be back here 7 years from now, although I'm not real optimistic about that.

Susquehanna Legal Services provides help in seven rural Pennsylvania counties. There is no Social Security office in my county, there is no Social Security office in another county we service. One day per week, there is a person that comes to that county, the local Salvation Army office who is there for part of the day.

Unfortunately, that person is not in a position to be able to do anything substantial. That person will take some information, will interpret forms for folks, but if an individual wants to apply for benefits or, for example, wants to have an SSI financial eligibility determination done, it's not possible. They have to travel about 28 miles, there is no mass transportation where we're located, and they have to make this arrangement themselves.

It's even worse in Tioga County, where they have to travel about 40 miles to Corning, NY. Now, I remember a time, and I've been doing this for about 13 years now, when people spent more time in the field offices. I also recollect actually going out into individuals' homes with claims representatives. This happened back probably before 1980. as I recollect.

I don't think that is happening at all. Relative to the main offices as they are, it seems to me when I go into them, there is not enough people there to serve the individuals that need to be served. Once again, referring back to my previous experience, it seemed like there was a time when you went into an office, it may have taken an hour or an hour and a half, you got an answer. Nowadays, there is no follow through. It just seems like the individuals that are there don't have enough time to do this or don't have the information at their fingertips to be able to handle it.

Literally, I have overpayment cases that have been sitting for years, when I mean overpayment waiver requests, that are sitting there, and nothing has been done on them. I don't think, with all due respect to Commissioner King, that the 800 number is the answer. I would refer you to my statement on that, but I would also like you to note that, although Ms. King indicated that she told her staffers to give out the local numbers upon request, our experience in Central Pennsylvania is that that is not happening.

In addition, our experience has been that we'll get back to you, we'll get back to you, and they're not getting back to people. In fact, it's gotten to the point where Susquehanna Legal Services says, "here is the local number" to our clients. We don't even use the 800 number ourselves, and we tell our clients, "here is the local number."

I think the Social Security Administration needs to look at these people right here and see that they're human beings and then plan from there. Realize we're talking about human beings, realize we're talking about people that have diminished capacities and people that have limited income, and then go from there in their planning process. Thank you.

[The prepared statement of Mr. Welch follows:]

STATEMENT OF PAUL D. WELCH, ATTORNEY,
SUSQUEHANNA LEGAL SERVICES, LOCK HAVEN, PENNSYLVANIA

I am an attorney with the Lock Haven, Pennsylvania office of Susquehanna Legal Services. I have been working there since September, 1985. Previously, I was employed by Central Pennsylvania Legal Services in New Bloomfield, Pennsylvania for approximately eight years. During my total of thirteen years experience with Legal Services, I have handled numerous types of cases dealing with Social Security and SSI benefits for clients of all ages.

In November, 1983, I testified before this Committee when it held a hearing whose subject was entitled "Social Security: How Well Is It Serving The Public?" At that time, my testimony was not favorable to the Social Security Administration. It is now almost seven years later and I'm back before this Committee to once again criticize delivery of services.

Susquehanna Legal Services provides assistance to low income individuals in seven rural Pennsylvania counties. In the county in which I'm located, there is no Social Security Administration office. There is an outreach office open on Wednesdays at the local Salvation Army building. However, it is only equipped to handle minor matters such as delivery of papers, explanation of notices, etc. If a person desires, for example, to make application or to have financial eligibility determined, an appointment must be scheduled and the person must travel to Williamsport, approximately 28 miles away.

Even worse is the situation in Tioga County. An outreach office is open on Wednesday mornings from 10:00 A.M. to 12 noon in Wellsboro, Pennsylvania. Is is serviced by the Corning, New York Social Security Administration office, approximately 40 miles away. Once again, for "major" items such as application, etc., individuals must make arrangements to travel there.

By the way, neither county has mass transportation available for these trips.

There also seem to be problems with staffing in the offices. For example, I am aware of a case where a person was declared eligible for SSI disability but denied SSD because of an onset date problem. The person appealed the SSD. In the meantime, the SSI should have been processed for payment. It was not. The client was informed that payment would be forthcoming but it never arrived. When inquiry was made, a representative of the Social Security Administration informed the client that the file had been sent to Arlington, Virginia because

of the SSD appeal. Three months later, we found out that the file had never even left the local office. Hopefully, SSI benefits will be forthcoming in June.

In addition, I have numerous cases with overpayment waiver requests pending which have literally been sitting undecided for years. While recipients are not being harmed because no recoupment is taking place, I often receive calls from clients anxious about their situation.

The toll-free number has not helped provide better service. In my opinion, it has added yet another hurdle to effective service.

Why do I say this? There are several reasons:

1. The number is very often busy;

2. The information provided has been inadequate or incomplete. This is especially true for representatives who need to delve beyond that which can be called up on a computer screen;

3. The phone representative will not give out local office numbers to claimants/beneficiaries;

4. The information provided is either incorrect or is inconsistent. For example, we had a case where two children were receiving benefits based upon their father's disability. He lived in Florida. When the children were returned to their mother in Pennsylvania, she contacted the Social Security Administration through the toll-free number to attempt to obtain the payments due the children. She was told that cooperation would be needed from the father and his new spouse (who was the representative payee for the children). Later, when her representative called the toll-free number, she was told that she merely needed to provide documentation as to placement of the children. Such documentation was provided the local Social Security Administration office and proper processing then took place.

5. The phone representatives are not responsive. Two examples here. First, a retarded individual received a Continuing Disability Review Notice which she didn't understand. She called the toll-free number and was told someone would get back to her. No one did. Second, a recipient called the toll-free number and requested that a message be delivered to her Claims Representative to contact her relative to a Notice of Overpayment which she received. The recipient was trying to avoid a benefits cut-off. She was assured a message would be delivered. When she didn't hear from the Claims Representative, she called again and again and again. Each time, she was assured that a message would be delivered. When she finally reached the Claims Representative, she asked why she never received a response to her requests. The recipient was informed that no messages were ever given to the Representative.

It has gotten to the point that all of Susquehanna Legal Services offices provide their clients with the telephone number of the local Social Security Administration office rather than using the toll-free number.

In 1983, I gave you my opinion that the Social Security Administration often did not take into account that their practices affect human beings, with real problems, who have limited or fixed incomes and who often have diminished capacities. I still have that same opinion today.

Thank you.

5/17/90
Date

Paul D. Welch
Paul D. Welch

The CHAIRMAN. Mr. Welch, thank you.

I believe Donna Spurrier from the Central Office on Aging has a short statement. Donna, would you like to add to this discussion?

STATEMENT OF DONNA SPURRIER, CENTRAL ARKANSAS AREA AGENCY ON AGING

Ms. SPURRIER. I certainly do. You have heard Ms. Osburn's testimony and her statement of resentment. I have a different feeling about this. I have feeling of disappointment. I am truly disappointed that when she was turned down for her disability SSI application she was made to feel she was asking for something that she didn't deserve, and the statement was made that she would never be eligible for SSI, but I am more disappointed that no one told her that she had the option to appeal this decision, nor did they go through the process of appeal with her.

When she made application for food stamps, nobody ever bothered to tell her that there were other benefits that she might benefit from, be eligible for, and services she could get. Even after the lady reached the age of 65, she was never told that she could reapply for SSI benefits, and she was living on $194 a month, with drug bills up to $98 of this.

SSI is a very important part for many elderly citizens, especially in the States that they get a Medicaid card, which they do in our State of Arkansas, because it does help them with their drug bills. I find so many of my clients in the field of having to choose between lifesaving medications and food, and this hurts. It really hurts. It makes me feel badly when I go home and eat, and that's the truth.

I feel like the Social Security Administration needs to pursue a very stringent program to seek out the low income, isolated elderly adults in the Nation. I think this can be done with other agencies, I think they can link with other Federal and State agencies and nonprofit agencies to do this. I am not even going to get into the 800 number. I think it's been beat to death, and I agree with everything that was said.

I feel that face-to-face interviews are very important because of the high illiteracy rate that we do have, not only in our State but throughout the Nation. You can send mail out to these people at any time. Well, Hallelujah, they can't read it. They can't read it. They have no idea what they have. It may be a colorful piece of paper that they immediately build a fire with.

I can't tell you how much I personally feel that each one of us working in the Aging Commission has a moral obligation to do everything we can do to make the lives of the elderly population more safe and more comfortable. As far as the staffing problem, I would like to give you one small statistic. I'm not great on statistics, but in Faulkner County, according to Project 2000 that was conducted by the Arkansas Division of Aging, the projected increase in population of 55 plus by the end of 1990 is 11 percent, the population increase of 65 years of age plus is 18 percent, and that is in one of 75 counties in the State of Arkansas.

In our local Social Security office, we have three full time staff people to attend to these 10,000 plus and increasing people. I

wonder how many benefits they're really going to know about, and I'm not taking away from the workers, they work, but they work too fast, too hard, to have time to give these people the information that they truly need. Thank you.

[The prepared statement of Ms. Spurrier follows:]

Testimony of

Donna J. Spurrier, L.P.N.

Casemanager II/Ombudsman

Central Arkansas Area Agency on Aging

North Little Rock, Arkansas

My name is Donna Spurrier. I reside in Conway, Arkansas which is located in Faulkner County. I am a Licensed Practical Nurse, Social Worker, and for the past 8 years I have worked as a Casemanager and Regional Ombudsman for Central Arkansas Area Agency on Aging.

Our Agency serves 6 counties in the Central Area of our state. Faulkner County being one of the rural counties we serve. The population served by our agency is comprised mostly of adults 60 years and older and the greater number of the clients we serve have incomes at or below poverty level.

CONCERNS

Many older adults in our service area currently require services they are not receiving for various reasons. These services include such areas as: transportation, medical care and medications, and alternatives to institutionalization. However, at this time, I will focus my observations on Supplemental Security Insurance (SSI). My concerns are outlined below:

1) Social Security Administration (SSA) staff is being reduced at a time when our older population is increasing.

2) It is difficult and confusing for older adults to obtain appropriate information about public benefits via 1-(800) phone service. This is especially true for the physically and mentally ill.

3) Social Security Administration (ESA) does not appear to be linking with other agencies to perform appropriate outreach services.

4) More Supplemental Security Insurance (SSI) outreach is needed for the socially isolated elderly and homeless population. Many older adults simply don't realize they are eligible for SSI services.

5) The Supplemental Security Insurance (SSI) process for receiving benefits can be long and exhausting for a population that is least equipped to deal with "red tape". Also, how well does this population survive while their eligibility is pending?

In order to better illustrate my concerns regarding the lack of assistance for older adults in the SSI area, I have briefly outlined only four case histories:

1) An 84 year old black female, widowed and unable to read nor write, with no children, was receiving from SSA, $303.00. This lady was receiving SSI at one time, but due to selling property, to pay for her late husbands medical bills and funeral, became ineligible to

continue receiving SSI. She was either never informed she could reapply when funds were gone or did not understand the process due to her inability to read.

2) A couple, an 83 year old white male and a 76 year old white female, second marriage for both. He received SSA in the amountof $186.00 and she got $69.00 from SSA. They were never informed they might be able to apply for and receive SSI, food stamps, Homestead Property Tax Relief, or energy assistance. They have no children or family living in this state and have to depend on friends and neighbors for transportation in a very rural isolated area of our county.

3) A 90 year old white female widow of many years lived alone. She received SSA in the amount of $335.00 a month. She took many Prescriptions and her drug bills were often as much as half of her monthly income. She needed SSI for help to cover medicines and to receive personal care to allow her to remain in her home.

4) Myrtle Osburn has provided testimony today, before the Special Committee on Aging, regarding her concerns about Supplemental Security Insurance (SSI). I first met Myrtle when she contacted me to request information about how she could pay her hospital bill. I learned that Myrtle had a $140.00 hospital bill which had been turned over to a Collection Agency. At that time she was unable to afford all of the medicines that were required, for her major medical problems, which include heart disease, hypertension and diabetes. She was receiving SSA in the amount of $194.00 and $80.00 in food stamps monthly. I assisted Myrtle with her SSI application process. Subsequently, she received SSI benefits which included medicaid services for her medications. She has received other appropriate services and benefits since having been enrolled in our Casemanagement system.

These are but a few examples of how an outreach approach can make life better for an older adult.

Some of the areas our Area Agency on Aging is working in to overcome the obstacles we feel the frail elderly are encountering in regards to SSI awareness and eligibility include:

1) Our agency has employed an Outreach worker to focus on developing services and programs for individuals who are in need of basic food, shelter and clothing. Our outreach program places a major focus on Supplemental Security Insurance (SSI) assistance.

2) Our agency has a casemanager located in a Department of Human Services offices in one of the rural counties we serve.

3) In April of 1990 our agency procided a statewide outreach workshop addressing the problems with lack of SSI applications and concerns affecting isolated older adults who are in need of various services. Workshop participation included regional SSA employees.

4) American Association of Retired Persons (A.A.R.P.) has selected Central Area Agency on Aging to co-sponser an SSI outreach program which is a part of a National campaign to enlist more SSI participation. A.A.R.P. will provide training, technical assistance, materials and some amount of volunteer participation. This program is scheduled for actual implementation September 1990.

5) Our agency has approached Social Security Administration in Little Rock about linking a casemanager with that Federal agency for information sharing and for increasing SSI outreach participation.

6) In June, 1990 our agency will apply for a Social Security Administration Supplemental Security Insurance (SSI) Outreach Demonstration Program Grant.

In addition to the above outlined methods in which our agency is planning to improve SSI outreach, I strongly recommend the Special Committee on Aging consider my personal additional recommendations:

1) At the time Social Security application is made the applicant should be interviewed for all other benefits available, including SSI.

2) Each Social Security Office supply a list of low income recipients to a designated non-profit agency for a face to face interview to establish their eligibility for SSI. Because of the high illiteracy rate I feel a face to face interview would be extemely helpful.

As an addendum, I did not receive a copy of Bill S.600 until after I had written my personal recommendations to the Senate Special Committee on Aging which in my opinion are basicly the same. I want to encourage and support this important concept introduced by Senator David Pryor.

The CHAIRMAN. Donna, thank you.

Senator Heinz, Donna Spurrier is known not only in the Central Arkansas area, but statewide she is known as a very, very compassionate advocate for the elderly and those who need help, especially like Myrtle Osburn, and, Donna, we want to thank you and also Myrtle Osburn for being here, and to Sandra Boles and to Paul Welch.

Senator Heinz.

Senator HEINZ. Mr. Chairman, I have just a couple of quick questions for Mr. Welch regarding Mr. Miller's case.

You've had 13 years of experience, Mr. Welch, and you've witnessed the evolution, and maybe some people would say the devolution, of SSA services. I'd like to ask you to look back and give us your observations about what have been the best and the worst evolutions in Social Security's services and their delivery?

Mr. WELCH. You're asking me to reflect over 13 years, and I have problems remembering what I had for dinner yesterday. As far as the best, and I'm not trying to be nasty and I'm not trying to bash the Administration, but I don't know that I can come up with something that I consider best. There have been things that have improved in certain ways, the disability process is getting slowly but surely a little bit better, a little bit more responsive.

In terms of devolution, I think that—and the statement has been made by Senator Pryor and a number of other people on the panel—these people are not looked at as human beings. Part of it I attribute, and, again, my experience is very limited, but part of it has to do with the fact that there's only so much time in the day, and there's only so many people in these offices.

Hopefully, with sufficient staffing and, I add this, appropriate training, and what I mean by appropriate training is teaching people to be sensitive to individuals' needs, not necessarily just looking at that person as another face, another piece of paper that they have to deal with, that would help improve this system. That's something that I think needs to be done. That's something that I've seen go downhill.

Senator HEINZ. Thank you very much, Mr. Welch, for that summation, and I think you do put your finger on something the Chairman has talked about, and that is how to restore a human face to the Social Security Administration? I think Commissioner King wants Social Security to be sensitive, to be able to meet people's needs.

She has spent more time going out to the offices than any Commissioner I can remember in recent history, but I think, in spite of that, there are just enormous issues and problems, and it's the intention of the Committee to help her get where we think her heart is. We thank you very much for coming back here again. I have a couple of questions I'll submit to you for the record, because I know Senator Pryor is a little pressed for time today.

The CHAIRMAN. John, thank you very much, and all of this panel. I wish we really had more time for questions. I want to share with Sandra Boles a story that's not quite as bad as hers, but I have a brother, he's now 62, and on his birth certificate it says female, so he's had problems these 62 years dealing with that, and he can't quite ever get over it.

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Senator HEINZ. It doesn't sound like you're any help.

The CHAIRMAN. I've not been any help, but, by the way, another tidbit about him, he's the Presbyterian minister at the First Galveston Presbyterian Church in Texas, and he's preaching——

Senator HEINZ. That must make him one of the first female ministers in the history of the Presbyterian Church.

The CHAIRMAN. That's right. You just listen, though. I haven't told you the rest of that story. He's preaching his last sermon this coming Sunday, and in September, at age 63, he'll be a freshman law student at the University of Arkansas. He said this country needs another Perry Mason, so he's going to be there. So that's a little inspirational story, I think, for those who think they want to retire but are not quite ready.

We want to thank all of you.

Ms. Osburn, we appreciate you, and Sandra, Donna, and Paul.

Ms. OSBURN. I'd like to say one more thing, if I may.

The CHAIRMAN. Yes, please. You say anything you'd like.

Ms. OSBURN. I'm not faulting any of the workers, they're doing as great as they can, but sometimes, accidentally, there's a wrong button pushed on that computer, and then we're kicked out.

The CHAIRMAN. That's it.

Ms. OSBURN. Thank you very much.

The CHAIRMAN. Senator Heinz, I just asked our worthy staff man if he would go back, and Senator Burdick, you'll like this story, I just asked Jonathan to go back here in the anteroom and call the 1-800 number for Social Security. Fortunately, he got through. I asked him to ask for the local office number for Little Rock, AR, and they asked him why he wanted it, and they went on and on and didn't want to give it to him. Finally, he badgered them sufficiently, he sounded very official, and he finally got the number. But they're very reluctant to give that out, and I hope Commissioner King is aware of that and knows our sensitivity to that issue.

I do want to apologize for our final panel. Our friend, Senator Burdick, has come to chair the final part of the session. I've got to go to the airport, Senator Burdick, and I thank you for your participation in helping me out in this time crunch. Thank you very much, and I wish I could be here myself for the next panel.

Senator BURDICK [assuming chair]. Our next witness is Mary O'Malley, Claim Representative, American Federation of Government Employees.

STATEMENT OF MARY O'MALLEY, CLAIMS REPRESENTATIVE, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, SEATTLE, WA

Ms. O'MALLEY. My name is Mary O'Malley. I'm an SSI Claims Representative in the Renton, WA, Social Security Office. I want to thank you for asking me to talk to you today about some of the problems facing field offices as a result of the downsizing.

We were told when the downsizing began that we had nothing to worry about. Implementation of the 800 number would cut our workloads anyway. Well, our workloads haven't decreased, they've increased, and now we're in a position where we can't provide even the most basic service to an SSI beneficiary.

Let's talk about something as simple as changing an address. The day I left my office to come here, the claims representative sitting next to me was trying to help a woman who had reported a change of address to the teleservice center 15 times. They were not trained to handle that type of change, and they quite properly referred it to us.

Unfortunately, we're not staffed to handle the reports or the phone calls that we get from beneficiaries or the TSC. A recent study showed that we had over 1,000 such reports pending in our office and only 2.8 claims representatives to work them. The backlogs get bigger every day.

The good news is we did get this lady's address changed. The bad news is, not in time. She probably won't see a check on June 1. But she's lucky; at least she knows that, and we can take steps to deal with it. The man I talk about in my written statement was not so lucky. He called eight times to report he had moved. If we had acted on any of those calls, he would have gotten a check on time. We didn't, because we couldn't. His first call to me was when his check didn't come. His second call was from a shelter for the homeless.

We're really not much better at dealing with something as simple as helping someone file for SSI. For example, if you want to file for SSI disability, you'll call the teleservice center or contact a field office. The first thing they'll do is give you a package of forms to complete and mail in. No one is going to offer to help you complete those forms, and if you ask for help, the person you're dealing with will suggest you have a friend or family member give you a hand.

They're not trying to be nasty. We don't have the staff or the time to help someone who can get that help someplace else. Unfortunately, a lot of people can't get any help somewhere else, and they won't insist that we help them. They might be too embarrassed to admit that they're illiterate, or they might be too ashamed to admit that there really is nobody else who can give them a hand. So they'll take the forms, they go home, and we never see them again.

We even have problems dealing with the people who do get the forms completed. When you make that first contact saying you want to file for SSI, we record the date. We also give you a letter saying that if you get a signed application to us within 60 days, we'll pay you back to that date if your claim is approved.

Unfortunately, we can't always get the application within the 60 days. I've had cases where the person's first appointment was scheduled on the 61st or the 65th day because that was the soonest we could get to them. Even though it was clearly our fault, the claimant's application was not received within the 60-day period, and they were out 2 to 3 months worth of retroactive SSI payments.

There is no procedure for appealing that, and there is no way those people can get that money back. The underlying problem here is inadequate staffing. In our office, for example, we have only 1.8 claims representatives to handle all new claims and appeals. However, rather than increase staffing, the agency has proposed

giving some of the SSI workload to untrained lower graded service representatives.

The underlying assumption here is that the 800 number has reduced their workloads, and they can take some of the pressure off the SSI CR's. The agency has done no studies to confirm this assumption. If they had, they'd find the service representatives have been as badly impacted by downsizing as we have. Managers, supervisors, and claims reps routinely cover for the service reps by working reception, answering calls or handling requests for Social Security numbers.

The same study that showed our office had over 1,000 unprocessed SSI reports also showed over 3,000 unprocessed requests for Social Security cards pending with our service representatives. They're in as bad a shape as we are. Even if the service reps could get to the additional workloads the agency proposed assigning, they're not trained to deal with them. The agency has been promising training, but nothing is available yet.

The agency has also been saying that it will be no problem because the service reps will only handle simple SSI reports, but that's not true. Many of these issues involve determinations that will affect payment, and several, such as those involving wages or institutionalization, are in areas the agency already recognizes as highly error prone.

Why give those workloads to inexperienced, overworked employees? The part of this proposal that really disturbs me, however, involves having service representatives handle reviews or redeterminations of SSI eligibility. This is not a process that can be defined as simple, and it will include having these inexperienced employees suspending SSI payments if the beneficiary fails to cooperate.

This is the N20 process, and I believe you are all familiar with that. In light of the problems we've had, I can't understand why the agency is assigning this to untrained personnel. The agency's response is that a supervisor will review these decisions. Well, I'm not very impressed by that. I've been at meetings where supervisors instructed us to suspend or N20 beneficiaries who moved into our area just to keep them from turning up in our numbers.

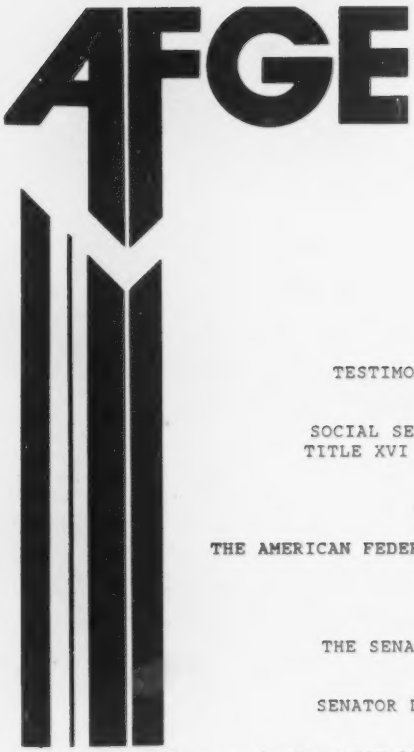
I've reviewed cases where a supervisor improperly suspended a number of beneficiaries and then wrote up the claims representative who objected. I'm not saying there aren't good supervisors out there, because I know that there are, but until we get our act together, I'm not going to be too impressed by a supervisory review. A review by someone who has no interest in the results would be much more effective.

It's important to remember that the improper suspension of SSI beneficiaries was something management was aware of. They permitted it, they allowed it, and, in some cases, they even encouraged it. These, presumably, are some of our best people. If they buckled under the kind of pressure that led to these improper suspensions, where does that leave an inexperienced GS–7? More to the point, where does it leave our claimants?

We need increased staffing. Shifting work from backlogged claims representatives to overworked service representatives is not going to cut it. The work won't get done. There just aren't enough

people to do it. That's unfortunate, and it's incredibly unfair to the people that we're trying to serve. Thank you.

[The prepared statement of Ms. O'Malley follows:]



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TESTIMONY OF MARY O'MALLEY

SOCIAL SECURITY ADMINISTRATION
TITLE XVI CLAIMS REPRESENTATIVE

REPRESENTING

THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

BEFORE

THE SENATE SPECIAL COMMITTEE
ON AGING

SENATOR DAVID PRYOR, CHAIRMAN

My name is Mary O'Malley. I have worked for Social Security since 1974. Over the past 16 years, I have worked as a Claims Representative, Field Representative, Operations Analyst, and Operations Supervisor. In 1981, I took a downgrade to the Claims Representative position in order to transfer from New York to Seattle. I now work in the Renton Branch Office, in Renton, Washington, as a Title XVI Claims Representative.

I work with the Supplemental Security Income program (SSI). Most of the people I deal with are trying to live on incomes of $320 (the standard state welfare payment in the state of Washington) or $414 (the standard SSI payment for an individual in the state of Washington) a month. Some live on less. By the nature of the program, most of these people are elderly, blind or disabled. Their age or their disability makes it difficult for them to contact us or deal with us and, like any other major city, we do have a large population that is non-English speaking.

For the past 4-6 years, I have watched staffing cuts erode our ability to provide even the most basic service to these people. In 1987, the office I worked in, the Burien Branch Office, was closed. This office was located near a shopping area, a short ride off three major highways and easy walking distance from the

downtown area. Almost every bus servicing the area stopped less than 4 blocks away at the Burien 'Park and Ride.'

When we closed, we were merged with the existing Renton office. This office is located in an industrial park. It is not readily accessible, except by private vehicle. We are not within walking distance of shopping areas, homes or apartments. There is virtually no public transportation, certainly not to the Burien or South King County areas. I have had frequent complaints from older or disabled claimants who have had to walk nearly a mile to the bus stop and then wait nearly sixty minutes for the next bus. Claimants who drive to the office have difficulty finding it and frequently complain about the traffic. We are located off one of the most congested major roadways in the area.

When we were relocated, people in the community were told the location did not matter as they would be able to conduct their business by phone. What they were not told was that our office has only four phone lines, only two take incoming calls. With only two outgoing lines, it is not possible to schedule phone interviews for everyone, even if we do use the incoming lines. Claimants calling to keep or reschedule a phone interview frequently have trouble getting through as it is. Claimants also were told that we do not take collect calls. For many people in our service area, calling the Renton office is a long distance phone call.

This is a problem that has been brought to managements attention again and again. The problem has been worsened by the fact that we have dropped to five Claims Representatives (two of whom are part time) and, as the work has backlogged, the number of phone calls has increased. People who have not received checks or who have claims that never seem to process do call the office.

In addition to those calls, we do not have the staff to handle the referrals from our Teleservice Centers. I am referring to phone calls and to the paper messages we are sent, asking us to call the claimant. In our area, the Teleservice Representatives have taken to marking almost everything 'priority' in hopes that it will get done. It doesn't. I have seen these 'priority' messages sit for weeks and months because they are buried in a backlog no one can get to. I can appreciate the frustration of the Teleservice Reps. I know they get calls from claimants saying "I told you all this before and nothing got done." But we simply do not have the staff to answer the calls or handle the referrals.

We were told the 800 service would decrease the number of calls we received and that it would ease some of the pressure on our staff. I can assure you, it hasn't.

At the last meeting where the phone problem was discussed, our District Manager suggested we cut the number of calls by making outgoing calls on the incoming lines. That way, people would not be able to call in. That may seem like a really a pretty heartless solution when you bear in mind that people are trying to reach us to report changes or find out why they didn't get their checks or who they can turn to for help. If you had no money and were facing eviction, how would you feel about a busy signal?

No one has followed that advice, but, in fairness to this manager, she has a point. In our office, the phone is almost always ringing. The constant interruptions make it impossible to 'push paper' or resolve problems for anyone. One morning I timed how long it took me to complete writing someone's Social Security number on a computer document. I needed to change someone's address. It took me 30 minutes to write a 9 digit number because I had to keep answering the phone. Every call I took during that period involved a change in someone's circumstances or a request for the status on their claim. You can't ignore calls like that. But you can't get away from what the phone calls do in terms of the pending workloads. If someone calls to report a change of address, you have to take the call. But if you can't actually change the address, he or she will call again, in worse trouble, when the check doesn't come.

I can give you an example of just how important that can be. A few weeks ago, I took a call from a man who said he had called our Teleservice Center 8 times to report a change of address for both his SSI and Social Security checks. He was calling because neither check had arrived. When I checked his number, I found his SSI payments had been suspended, due to an incorrect address. His Social Security check was being sent to an address he said he'd already changed. I was unable to locate any paperwork from the Teleservice Center in our office. It might have been there, but it was quicker to redevelop the information than look through six drawers of mostly unalphabetized, unfoldered, backlogged work.

The man told me he was about to be evicted. Unfortunately, he was. Our next call from him cale from a shelter for the

homeless. Now there were complications in his case that added to his problems and I don't mean to downplay them. But had his reports been handled in a timely manner, had he been able to get through to us when he needed to, I don't believe his checks would have stopped. And I do not believe that second call would have had to come from a shelter.

This man's problem was not unique. A recent study showed our office had over 100 unprocessed reports from SSI beneficiaries. These included changes of address, income, marital status or other matters affecting payments. We do not have the staff or the equipment to respond to something as simple as a change of address. And, unfortunately, our office is not unique. I know one of the largest offices in our area has simply stopped processing reports of earnings from SSI beneficiaries because they do not have the employees to do it.

There doesn't seem to be any ready solution to this problem. We've asked for an answering machine, for example, so that people could at least get through to us. We've been told we can't get one. There is no money for a new machine or additional phone lines.

What management has proposed is giving some of the so-called 'simple' SSI duties to Service Representatives in the Teleservice Centers and the Field Offices. However, the Agency cannot define 'simple.' Several of the areas where the Agency wants to have Service Representative work have been proven to be anything but simple.

For example, the single greatest source of errors in our Region has been, and continues to be wages. Even now, the most routine cases are targeted for review. There is a reason for that. Earnings affect the amount of an SSI beneficiary's check and, possibly, his or her entitlement to medical assistance.

When someone calls to report they are now getting a paycheck, we have to ask them a little more than 'how much?' Does the claimant have to pay for any special medication or equipment that enables him to work despite the disability? If he does, we can exclude that from his earnings and the SSI check will be higher. Would a plan for achieving self-support be in order? Again, there might be income or resources that we could exclude, allowing the person to continue receiving SSI and medical assistance while he or she tries to become independent. If it's a spouse or parent who

is working we need to know if there's any part of the income we can exclude, perhaps because of court-ordered child support. Again this can make the difference between a higher SSI payment or a lower one or, indeed, any payment at all.

These are only a few of the things we 'routinely' look for in all cases where a beneficiary or their spouse or parent works. These are not 'simple' issues as the Agency's own quality reviews have shown. We already make too many mistakes in this area, by the Agency's own admission. And now we want to give this to untrained, inexperienced personnel?

Another area where the Agency proposes having Service Representatives handle reports are those involving 'simple institutionalization.' If an SSI beneficiary is institutionalized for a full calendar month or longer, his or her payment could drop to as low as $30 a month, or stop altogether. The determination as to what benefit amount is due is not a 'simple' one. It is dependent on the nature of the facility (private hospital, state hospital, correctional institution, half way house, etc.), the purpose of the stay, (medical, non-medical), the funding for the claimant's stay (medicaid, private insurance, federal funds, etc.) and the expected duration of the stay.

This last, the duration of the stay, may determine whether the claimant is entitled to the same amount of money he or she was entitled to while living in his/her own home. If the claimant can show he or she will be returning home in 90 days or fewer, we can continue to pay them at a higher rate so that they will have a home to go back to. Because there are strict time frames for a claimant to request this, we have little room for error. With the cost of housing so high, the loss of an apartment, or a home that is nearly paid off is an unusually cruel threat to someone elderly or seriously ill. It doesn't seem reasonable or fair that this determination should be given to someone who is untrained and inexperienced in making these types of decisions.

The Agency has also proposed having Service Representatives handle 'simple' redeterminations. These are reviews to determine whether or not someone is eligible to continue receiving SSI payments. What disturbs me most about this proposal is that Service Representatives, who are not trained to recognize circumstances where a claimant might need additional help in order to comply with SSI requirements, will be responsible for suspending benefits for beneficiaries who fail to cooperate (N20).

This is already an area where the Agency has fallen down in its responsibility to claimants. The standard response to concerns over having lower-graded, untrained employees doing this is 'don't worry, a supervisor will review it.'

To me, that is not a satisfactory answer. I am not satisfied that supervisors are immune from the pressure of improperly suspending people in order to meet numerical goals or make themselves or their offices 'look good.' I helped review cases for a Claims Representative who had filed a grievance after she was written up for objecting to her supervisor's improper suspension of claimants in her alpha breakdown. There was no question but that the suspensions were improper. These claimants were clearly dependent on payees or interperters. Some had called to reschedule their appointments and that, apparently, was grounds enough to suspend them. Others had mailed in requested information but, if you had looked at those files, you would have thought the suspension was proper because that information was not there.

Supervisors are not immune from pressure. I have been at meetings where I and other Claims Representatives instructed to 'N20', or "suspended," claimants who moved into our area. We did not want them showing up on our 'numbers.' I am sad to say some of the people I worked with saw nothing wrong with that (we were assuming we would get them back into pay before they missed a check). Some of us just kept our mouths shut. Those who did object to improper suspensions were written up for things other employees were not faulted for or they found their work being criticized for petty things like minor spelling errors. If Supervisors or Claims Representatives give into that type of pressure, do you really think less-experience, lower-paid employees are going to be any stronger? I don't. I have no objection to a supervisor reviewing whatever he or she wants to review. But absent an objective, external, third party review, there is no protection in this proposal for employees or the public.

The Agency has not been able to show what training would be available to prepare Service Representatives for these new workloads. It does not know what volume of work is involved or the number of Service Representatives available to do it. In fact, in the recent negotiations, the people handling this proposal questioned why that would even be relevant in determining its impact. And that's too bad. Because that is the critical point.

In many offices, supervisory and management staff are already covering the front desk, answering phones, or handling general inquiries in an effort to keep their Service Representatives' heads above water. No studies have been done to determine the feasibility of assigning unfamiliar work to already backlogged employees. But perhaps that's because the outcome is self-evident. It is sad to think that an Agency that once prided itself on service to the public would take such a move at the expense of the most vulnerable segment of our population.

There is one other area in which public servie has been severely impacted over the past 4-6 years. That involves claimants who are trying to apply for SSI or Social Security, particularly those who wish to file claims for disability. I am familiar with the Outreach effort and I do not dispute they might be due. God knows, if you're eligible for SSI you need all the help you can get. But we are already having difficulty handling claims that come to us without any solicitation on our part. I would like to give you an example.

If a claimant calls or visits the office and states that he or she wishes to file for disability, the date of that call is recorded. As long as an application is received within 60 days of the date of this contact, SSI will pay back to that date if the claimant is found eligible. The claimant is then given a package to complete and return before the application is taken.

To the best of my knowledge, Social Security has done no studies to show how many of those packages are returned. Nor have they studied how many actually result in applications. I can say, from my own observations, that a good number are not. Many claimants are intimidated by the forms and will not ask for assistance. We have no system in place to follow up with these people and, if they do not follow up themselves, the sixty days goes by and they are out of luck.

In our office we have also had problems with scheduling appointments for people who do follow up. It is critical that the appointment be scheduled within that 60 day period so that the application will be received and the claimant does not lose money. We were not able to do it. I don't believe ours was the only office having that problem as a memo was issued to every office in the Region stressing there were no exceptions to that 60 day rule. If the application is not received in that time period, the claimant loses money, no matter whose fault it is.

In one week, I had three claims where the beneficiaries lost between 2-5 months of back payments (approximately $784-$1960 per person) because we had failed to schedule the appointments in a timely manner. Our appointment system was changed to improve that situation but this did nothing for those claimants nor did it help the other claimants who lost benefits because we did not schedule them within that 60 day period. The situation is better now. But I still have claimants whose applications are not received in that 60 day period.

For the first ten years I worked for the Agency, no one had to ask for help in completing a disability statement. It was offered. When I questioned our current practices, I was told we needed to rethink our concept of public service, that we couldn't afford to gear our services to those who needed help when so many did not. I know I have gone through four levels of management asking questions about the number of forms that are not returned and the fact that we have no procedures for following up on them. I have never gotten any answer other than "You need to rethink your ideas on public service" or "What do you want me to do?"

I have encountered the same response when I've questioned why people have to lose their rights to back benefits. We don't even have a procedure in place to let people know they have lost 2 or more months worth of benefits because their applicaiton was not received in that 60 day period. Nor is there any administrative appeal they could file that would remedy the situtaiton.

It seems absurd to talk about an Outreach when we are unable to remedy existing inequities. We are already losing people by failing to help them. When you consider the number of people who lose benefits because we did not offer needed assistance or failed to schedule their appointments in a timely manner, it seems the Agency would at least study the problem and take steps to resolve it. However, I understand proposals to study the issue have rejected at the Regional level.

I wish there were some way I could tell you what impact the staffing cuts from 'downsizing' have had on us. I have seen people's SSI checks stopped for their failure to cooperate when information we requested was sent in and left sitting in piles of unsorted mail no one had the time to get to. I have handled reports from claimants that involved changes of address or income

or resources that dated back 3-4 months. No one had the time to get to them. I've seen claimants lose money because we could not get them scheduled for an interview and I've seen them wait an extra 3-12 weeks for their disability claim to process because we had to delay taking or developing the claim.

Claimants can't reach us by phone, a situation that has worsened, not improved, with the implementation of the 800 number. Our office is not accessible by foot or public transportation and even people with their own cars complain about trying to find us. We do not have adequate equipment and are constantly running out of supplies. It is almost comical, in a way. They keep promising us computers but they can't give us phones or envelopes.

It is not enough to say that we've had enough downsizing and will now hold at where we are. We are nowhere. We are prioritizing our work by who will be hurt the least if their papers don't get worked. It's hard to sit and spend the time with a claimant who is honestly trying to develop a plan for self support that will, hopefully, get him or her off the program. It's hard because you know that, even though this person is entitled to your time, his situation isn't critical and someone else probably needs it more. As one Claims Representative told me, "I do the interview but I just keep thinking of all those things I really need to do, all those changes of address, all those checks...all those things that aren't getting done while I do this."

We shouldn't have to work that way. Unfortunately, we have no choice. It is impossible to talk about service to the public when we are too short staffed to process a change of address or make sure someone's application is received on time. If there is no increase in staffing, if all we are going to do is shift work from backlogged Claims Reps to inexperienced and equally backlogged Service Reps, the situation is not going to change any time soon. That is unfortunate. For us and for the public.

Senator BURDICK. Thank you.
Mr. Delaney.

STATEMENT OF JACK DELANEY, FORMER OPERATIONS SUPERVISOR, SOCIAL SECURITY ADMINISTRATION, CHICAGO, IL

Mr. DELANEY. Two weeks ago, Senator Alan Dixon's office called the 800 number on behalf of a constituent and was told that it was 4:25, "We close in 5 minutes, call back Monday." Clunk. If the Senator's office gets this kind of service, how do you think the little guy out there is doing?

I'm a former Social Security claims representative and operations supervisor, and I'm going to tell you how the service has changed over the last 15 years. During my initial CR training, which lasted 6 months, it was emphasized that my duties were to act as a representative of the people filing for benefits under the Social Security regulations and, at the same time, to protect the trust fund from erroneous claims.

Each duty was equally important. I was to serve the public impartially. But in the early 1980's, things began to change. The message that trickled down from the top modified our mission. The shift was slow but steady. By the time the staffing cuts had kicked in, the relationship with claimants had turned sour.

Managers in district offices across the Nation protected their territories with paranoid passion. They invented creative techniques to skew statistics to their own advantage. They padded numerical reports and shifted the emphasis on workloads to areas that would help their statistics rather than serve the public.

In Saginaw, MI, for example, the employees who collected the most amount of overpayments from the aged and disabled would be singled out at staff meetings, and their fellow employees would actually applaud when the district manager would announce the amount of money they had collected. The employee who brought in the highest amount each month would receive a cash bonus.

Funeral homes provide the names of persons who die to Social Security offices so that the survivors can be contacted to file for possible benefits. In Port Huron, MI, this practice was simply not expedient after the staffing cuts began. For a period of time, these legal documents which became claims leads were simply destroyed because there were not enough employees to process them. Some potential beneficiaries just fell by the wayside.

Certain termination actions must be completed within 30 days to avoid a negative office report, but the law requires a 20-day advance notice to the recipient. With the reduced staff, the letters sometimes sit for a month or more before being typed and mailed. It is common practice right now today to back date these notices and input the terminations immediately. Frequently, the recipient will find that his checks have stopped even before he receives the notice advising him of his appeal rights.

There are three basic problems that have created the crisis in Social Security. Number one, first line managers have been forced to forsake the mission of the agency and produce statistics to survive. Number two, there are simply not enough employees to do the job. While we're discussing the exact number that we need, I

suggest a temporary solution. There are thousands of loyal former employees out there, early retirees, who are trained and ready to come back temporarily or permanently to get us back on the track.

Three, the current staff is composed of some dedicated, hard-working, underpaid individuals who have not been given the incentive and encouragement from top management to provide good service to the public. We just turn them on and count the phone calls. Our compassion should begin here.

We live in the greatest country in history, and we're on the verge of our most prosperous years. This is not the time to turn our back on the basic principles on which this country was founded. In the very near future, I would like to be able to say, with apologies to Walt Kelly and Pogo, "We have found the enemy, but they're on our side now."

Senator BURDICK. Thank you.

The next witness is John Pagoda.

STATEMENT OF JOHN PAGODA, CLAIMS REPRESENTATIVE, SOCIAL SECURITY ADMINISTRATION, TROY, NY

Mr. PAGODA. Mr. Chairman, I'm a Vietnam Era veteran, and I have 20 years service with the Social Security Administration. My current position is as a claims representative in the Troy district office, Troy, NY, and I want to thank you for inviting me here to testify.

As I listened to Commissioner King, it brought to mind one of the observations that we can find in the Vietnam War, the captures, the casualties, and the body counts were all distorted to fit what official Washington wanted to hear. Social Security Administration management of the 1980's operated and still operates under the same guidelines, tell superiors what they want to hear.

We seem to prefer the comfortable lie to the uncomfortable truth. You previously heard the comfortable lie and now I'm here to tell you the uncomfortable truth. The uncomfortable truth is that in terms of staffing, studies were conducted by members of management to reflect that Social Security service to the public was not affected by staffing cuts. It was.

Oddly enough, while staff positions decreased, management positions did not. We're now operating with four to five Indians for every chief while 5 years ago that ratio was seven or eight to one. The chiefs do not serve the public; they serve the Commissioner.

The uncomfortable truth is that the improper suspension of thousands of SSI beneficiaries occurred in over half the redetermination cases, because a merit pay goal was established to have as few redeterminations pending in the office as possible. What management did was utilize suspension to remove cases from the redetermination pending list, resulted in meeting that particular merit pay goal. The human anguish, the suffering, none of that was considered because it wasn't a goal to be met.

The uncomfortable truth is that the continuing disability reviews are not a merit pay goal. The result is a workload that's going to perpetuate overpayments.

For the past few years Social Security offices have been receiving folders on individuals who have returned to work yet they continue to receive Social Security disability benefits.

Once the file is received the office is to investigate the individual's work and determine whether or not disability benefits should continue to be paid.

Delays in processing this workload result in a continuation of incorrect payments being drawn from the disability trust fund to a segment of our population, i.e., the disabled who can ill afford to be so adversely affected.

I mentioned this potential public relations problem to an operations supervisor during a labor-management relations meeting, and he told me it was not a goal. He's since been promoted. The manager over him was also promoted. Fifteen of 17 people in the Troy district office filed a grievance against that particular practice among others. The superiors were promoted and those of us left behind are now faced with the task of telling the people they have been incorrectly paid in the past and now must repay that money.

The 800 number? That's a joke. An individual from Troy, NY went to Florida on winter vacation, as most senior citizens do—it's a little bit warmer than in Troy, NY—received an overpayment notice, called up the 800 number, and she was told she had to go back to the office that serviced her, in other words, Troy, NY. She flew to Albany, NY, came into our office, and we couldn't help her. That's the 800 number.

If we do have a 90 percent accuracy rate with our 800 number, it is because the Commissioner wanted that accuracy rate, the methodology was devised accordingly, and another self-serving study was conducted for official Washington.

SSI outreach is nonexistent in the field offices. I work with homeless people after my 8½ hours with Social Security every day. I've slept with people on the streets, I know what their problems are, and I deeply resent the Commissioner stating that there is a homeless outreach liaison in each of 1,000 offices in this country.

The uncomfortable trust is that if there are indeed 1,000 homeless liaisons, they exist only as a statistic without substance. Perhaps it should be asked who are these liaisons, what are their responsibilities, how do they function, and what have they done to date for the homeless.

Furthermore, the uncomfortable truth is that contact stations have been closed to the public or hours of operation have been drastically reduced.

Finally, the uncomfortable truth is that the position of field representative has disappeared and where it does remain, the incumbent spends half the field time in the field office.

I think what the public needs is somebody to support them, and I think what we ought to consider here is the position of Ombudsman; somebody who can stand up for the public, because there aren't too many employees who can or will do that. I think another thing that you need is a Social Security Commissioner who is going to start dealing with honest realities like the realities that those of us deal with every day. The older Americans, the disabled Americans, and the broken-hearted Americans, these are people that we

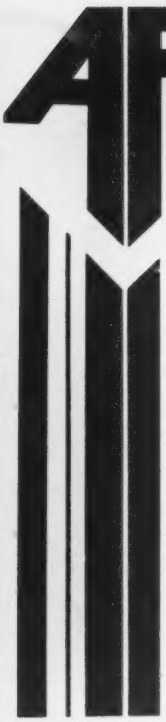
all know, these are people we can relate to, and it does not get done on an 800 telephone number.

I suggest we downsize the teleservice centers and put these employees into the field offices to serve the public.

The 800 number may well indeed be high tech but the uncomfortable truth is the public we serve would prefer a human face and compassion to high tech.

The bottom line is the public trust has been abused, and it's been abused for at least the last 10 years, and I think we all have to share in the responsibility. I can only come here and testify before you and tell you the uncomfortable truths that occur in the field office. The Commissioner can come and tell you all the statistics that she wants tc support her position. Ultimately, it's up to the Senate, the Congress, and the Executive to decide whether or not we will accept the comfortable lie or the uncomfortable truth and act accordingly. Thank you very much.

[The prepared statement of Mr. Pagoda follows:]



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TESTIMONY OF JOHN PAGODA

SOCIAL SECURITY ADMINISTRATION
CLAIMS REPRESENTATIVE

REPRESENTING

THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

BEFORE

THE SENATE SPECIAL COMMITTEE
ON AGING

SENATOR DAVID PRYOR, CHAIRMAN

MAY 18, 1990

Mr. Chairman, members of the Committee, my name is John Pagoda. I am Vice President of Local 3343 of the American Federation of Government Employees, AFL-CIO (AFGE), located in Troy, New York. On behalf of the employees of the Social Security Administration our local represents, I thank you for the opportunity to testify here today.

My comments today will focus on inadequate and inappropriate staffing levels and what we perceive to be gross mismanagement in Social Security district offices. I am aware that Commissioner King has stated publicly her willingness to address the many problems which currently plague the SSA, and I can assure you that she will have the full cooperation of AFGE and the SSA workers we represent as long as the solutions mean increased staffing and an increase in resources for use in serving the public.

The first issue I would like to bring to your attention is mismanagement within SSA. One particularly bad example of this is that management conducted studies designed to prove that staffing reductions had not produced any adverse effect on service to the public. Management's goal was to show that SSA was succeeding in providing service to members of the public within five minutes of their arrival in a Social Security office.

The result of such management actions has been severe staffing decreases. Those studies in effect provided the rationale for the downsizing by assuring Congress and the Commissioner that downsizing would not harm service to the public.

There have been several negative consequences of the staffing reductions carried out over the past decade. In the last five years, Area VI staffing has decreased from about 890 employees to 540 employees. It is noteworthy that 90 percent of all management personnel lost through retirement, downsizing, etc., were replaced. No production employees were replaced. The result has been that the ratio between "Indians" and "Chiefs" has gone from over 7 to 1, to a current ratio of 4 to 1.

What this means is that the people who serve the public have been replaced by the people who serve their superiors and the policies of their superiors are more often than not at odds with the public interest. As evidence of this, I submit to you the fiasco with the 800 number system.

The "Merit Pay Goals" established by management were ostensibly designed to serve the public, but in reality, those goals are established to determine which members of management will receive bonuses in one form or another. Management refers to this practice as "establishing priorities."

One of the most troublesome problems with current SSA management, and one that is particularly wasteful of SSA time and money is that management rarely, if ever, resolves disagreements with the bargaining unit at the lowest level. In most cases, management ignores existing agreements with the bargaining unit, including the Civil Service Reform Act provisions. At best, they go through the motions which seem inevitably to lead "foregone conclusions" in their favor.

With all due respect, it seems that there is an attitude in Washington, D.C. which says that we support union actions as long as the union exists in some Eastern European country. I have seen nothing in the way of U.S. government actions over the last ten years which has disproved this opinion.

Management also tends to promote "their own," i.e. those most like themselves. The impact is that mismanagement will continue, better employees will seek more rewarding vocations, the public will be served by what is left over, mismanagement will perpetuate itself and the probability of SSA becoming the "HUD" of the 90s increases!

The following recommendations are submitted for your consideration to resolve and prevent further mismanagement by the Agency (SSA):

1. The position of Ombudsman should be created to insure that the Agency serves the public and to act as a liaison to Congress and the Congressional committees that oversee the administration of entitlement programs.

The public currently has no one to address their complaints other than their elected representatives. While their specific problems are corrected, the root causes continue to affect other individuals. An advocate for the public would resolve individual complaints, identify root causes, and make referrals to components capable of correcting them; thereby enabling Congressional staff persons to work on other important issues.

2. The SSA Commissioner should be directed to insure that SSA field offices are staffed with a mix of personnel better designed to serve the public.

SSA field offices are the front line in serving the public. The front line in every field office should be trained staff. Any mix of less than eight employees per member of management is in management's interest at the expense of the public.

The Troy, NY SSA office has 4 employees for every member of management; NY Region II Area VI has 5.6 employees for every member of management. (The Area VI Region II ratio furnished by Commissioner King's office.)

Finally, a new position, Technical Assistant, was created in November 1989. This is a management position filled by a member of staff which further reduces the number of people that directly serve the public.

3. While the Commissioner has temporarily suspended numeric performance goals, the basis is to develop new standards to measure all work done. We should begin to measure service to the public based on the public's perception of service, e.g. a research group can devise a standardized questionnaire that the public would complete.

Service to the public is SSA's mission. Current measurements are created by management to serve their own purpose and result in an atmosphere of do anything and everything necessary to attain those goals. It seems logical that any methodology devised to measure service to the public should include input/feedback from the public.

I note that acceptance of this recommendation could be utilized in measuring personnel performance, i.e. an individual's work would be rated based on a composite of data from the public, the peer group, and management.

4. Arbitrators should be empowered to impose penalties on any party who ignores or attempts to circumvent decisions issued, e.g. the guilty party would reimburse the other party their share of the arbitrator's fee.

Another recommendation is a requirement that management personnel be required to periodically take additional and refresher labor-management courses.

The current agreement calls for resolution of grievances at the lowest possible level, but the next decision level is another member of management in the line of authority (usually the Step 1 officials immediate supervisor).

This procedure results in time lost by union members (staff who directly serve the public) and exacerbates existing tensions and lowers morale. Also, management can expend a full day plus, preparing for a grievance; labor does not have this luxury. Finally, binding arbitration currently exists, but management continually ignores decisions that do not favor their position.

Taking labor relations courses would result in a management team trained in dealing with the issues they are responsible for.

5. Promotions should be given to those highest on the "best qualified" list unless extenuating circumstances exist, and any individual on a best qualified list should not be passed over for any reason more than three times.

SSA should be authorized to recruit and hire people from colleges and/or the private sector rather than continually promoting from within.

Current promotions are based on "good old boy/girl networking." An individual at the top of the "B Q" list can be passed over if his/her superiors feel that he/she does not qualify as a member of the "good old boy/girl network." It is noted that if staff is appraised by a combination of management reviews, peer group assessment, and public input, the appraisal used to promote would be more representative of reality and more inclined to curb excesses of and tendencies toward favoritism persistently utilized by management with little or no consideration for merit.

Finally, constant inbreeding has promoted nothing more than the Peter Principal.

Both management and union surveys indicate that overall employee morale is at an all-time low due to being overworked and underpaid! We are currently 28.6% behind our counterparts in the private sector. We do not need a new pay system but rather corrective legislation to remove the President from the current system and mandate the use of the "ECI.

Congress showed great intestinal fortitude in setting their own pay in a completely automatic system; it is time to show the same intestinal fortitude for federal employees. Waiting for the money to magically appear is akin to delaying marriage until you can afford it.

In summary, the public needs an ombudsman who will act to insure they receive accurate and courteous service. SSA offices should be staffed with more employees who serve the public and fewer management officials to police the employees. Goals reflecting service to the public should be established to include public input. Arbitrators should be empowered to penalize parties who ignore or circumvent

rulings. Management should be trained in labor relations issues and promotions should be based on merit, not favoritism.

It is my personal opinion that we have a top heavy agency created by a self-serving/self-promoting group of people (seemingly oblivious of their culpability) who now address Congress with dire need for additional staff to address a problem of growing dimensions, i.e. this Agency's continuing inability to serve the public due to decreased staff which was created in part by increased management.

Also, the enclosed article reflects this Agency's priority concern with management by creating an ombudsman for managers. Technically, an ombudsman investigates citizen's complaints about government functionaries and should not be confused with anyone who receives complaints from frightened managers.

Finally, in an environment of budget constraints, if SSA is to accomplish its mission of providing quality service to the public, the stagnant policies and self-serving practices of good old boy/girl clones must be replaced by those capable of creating more prudent allocations of resources and more effective utilization of personnel.

Senator BURDICK. Mr. Pagoda, what is the morale of your fellow workers?

Mr. PAGODA. We are overworked, understaffed, and underpaid by 30 percent.

Senator BURDICK. What role would the Ombudsman you've proposed play in terms of informing the public or Congress about service problems?

Mr. PAGODA. I believe the public actually needs someone who will inform them about current legislation, the impact of that legislation on their entitlement to benefit, to assist the public in filing for benefits, to process complaints by the public, in essence to articulate on behalf of and act as an advocate for the public to insure they are properly served.

It should be noted that Commissioner King advocates an office of Ombudsman however in her scheme, the office would exist to process input from management officials who may otherwise fear reprisal.

The uncomfortable truth is that the public is more in need of an Ombudsman than frightened members of management.

Senator BURDICK. Well, I want to thank all the witnesses who appeared here today, and that concludes the morning hearing.

[Whereupon, at 12:28 p.m., the Committee was adjourned, to reconvene at the call of the Chair.]

APPENDIX

Item 1

DAVID PRYOR, ARKANSAS, CHAIRMAN
JOHN GLENN, OHIO
BILL BRADLEY, NEW JERSEY
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WILLIAM S. COHEN, MAINE
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CHARLES E. GRASSLEY, IOWA
PETE WILSON, CALIFORNIA
PETE V. DOMENICI, NEW MEXICO
ALAN K. SIMPSON, WYOMING
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United States Senate
SPECIAL COMMITTEE ON AGING
WASHINGTON, DC 20510-6400

June 11, 1990

The Honorable Gwendolyn King
Commissioner
Social Security Administration
6401 Security Boulevard
Baltimore, Maryland 21235

Dear Commissioner King:

On behalf of myself and other members of the Senate Special Committee on Aging, I would like to thank you for participating in the May 18, 1990 hearing on service delivery at the Social Security Administration. I appreciated your frank discussion of the issues, and look forward to continuing our constructive dialogue on issues of mutual concern.

Due to time constraints, a number of members of the Committee and I were unable to ask some questions that we had in mind. Therefore, I would deeply appreciate your providing timely written responses to the enclosed questions from Committee members and my questions that I have listed below.

1. What changes will SSA make in its methodology in evaluating telephone accuracy based on GAO's findings of severe methodological flaws in SSA's past studies? Will those changes be reflected in a revision of the 97 percent figure, to correct past mistakes? Specifically, will SSA measure payment related errors by comparing it to the number of calls with payment error potential?

2. What plans does SSA have to reopen telephone access to local offices and to republish local numbers in phone books?

3. What plans does SSA have to continue to allow access to local field offices which are currently accessible, some of which have numbers printed in local phone books? How many local offices continue to have numbers printed in local phone books? Assuming you decided to reopen local access, precisely when do you expect that staff could be restored to field offices at a sufficient level that SSA could successfully restore the level of local access for the public that was available as of September 30, 1989?

4. What is the timetable for successfully processing and resolving the earnings records backlog that I identified at a March 8 hearing of the Government Affairs Committee?

5. Could you provide for the record the findings of your recent field office inventory of pending workloads, as requested in a memorandum from Ruth Pierce dated March 21, 1990?

6. I appreciate and share your commitment to SSI outreach. At the same time, I am concerned that despite the strong stand you have taken, SSA's budget request for FY 1991 recommends a decrease of $3 million dollars, or a 57 percent reduction, in research and demonstration projects related to SSI outreach. What accounts for this disparity between your stated commitment and your actual request and how can you accomplish your admirable goals with such a major reduction in the commitment of resources? What does SSA propose to eliminate that was being done in FY 1990?

7. During the past year, the Association of Administrative Law Judges has sent several letters to your office requesting formal recognition as a professional association. Will the SSA formally recognize the Association of ALJs as a professional association?

8. Why is SSA planning to downgrade duties that have been performed by claims representatives by giving them to less trained and less experienced service representatives? Does SSA have sufficient staff to have claims representatives handle all benefit-related work?

9. Can you assure the Committee that none of the new duties you are planning to be performed by service representatives could result in the adjustment of SSI benefit levels? Which specific duties that have been proposed could affect benefit levels, and why should less experienced individuals perform these sensitive duties?

I appreciate your taking the time to answer these questions and will, of course, forward you the final hearing print as soon as it is available. Should you have any questions regarding this request, please contact me, or have your staff contact Jonathan Adelstein of my Committee staff at (202) 224-5364.

Thank you for your cooperation and assistance with this request. We look forward to reviewing you responses.

Sincerely,

David Pryor
Chairman

DP/ac
Enclosures

[Subsequent to the hearing, the following responses to questions were submitted for the record:]

Senator Pryor

1. What changes will SSA make in its methodology in evaluating telephone accuracy based on GAO's findings of severe methodological flaws in SSA's past studies? Will those changes be reflected in a revision of the 97 percent figure, to correct past mistakes? Specifically, will SSA measure payment related errors by comparing it to the number of calls with payment error potential?

The GAO testimony presented a fairly accurate description of our methodology, and we are unaware of any serious methodological flaws which they found in our evaluation of the 800-number service. As we recall, in an answer to a question at the hearing, GAO applauded our monitoring efforts.

We believe our ongoing measure, based on the payment accuracy of 25,000 calls to all teleservice centers (TSCs) over a 6-month period, has produced stable results which are credible and reliable. In comparison, the GAO results based on 160 calls to one TSC over an 8-day period can only be considered a very limited observation. In fact, GAO cautioned that because of the small number of calls sampled, their findings cannot be projected nationally, regionally, or even to the TSC, for the period of review. Accordingly, we stand by our methodology, although we are continuing to review our procedures with the objective of making the evaluation even more effective.

Not long after we began the 800-number service evaluation, we recognized it might be helpful to identify calls that had the potential to affect payment in order to put the payment error rate into perspective. We found that this identification was often subjective. We are working on an approach to reduce the subjectivity surrounding this determination. Interestingly, in their monitoring activity of 160 calls, GAO deferred to our judgment in the identification of which calls involved an issue that would potentially affect payment because they themselves found this assessment so difficult to make.

Once we are satisfied that we are uniformly identifying the universe of calls that have the potential to affect payment, we will begin reporting the payment error rate based on that universe, as well as reporting payment error as a percent of all calls.

Senator Pryor

2. What plans does SSA have to reopen telephone access to local offices and to republish local numbers in phone books?

As required by P.L. 101-508, we have requested local telephone companies to list both the national 800 number and a current local office number in their next directory for all offices that had direct telephone access prior to nationwide implementation of the 800-number service in October 1989. However, due to the publication schedules of local directories, some directories may not be changed for up to 18 months.

3. What plans does SSA have to continue to allow access to local field offices which are currently accessible, some of which have numbers printed in local phone books? How many local offices continue to have numbers printed in local phone books? Assuming you decide to reopen local access, precisely when do you expect that staff could be restored to field offices at a sufficient level that SSA could successfully restore the level of local access for the public that was available as of September 30, 1989?

Of the 352 offices to which telephone access was reopened in November 1989, 215 currently have the local number published in the telephone directory.

As required by P.L. 101-508, we are requesting local telephone companies to list both the national 800 number and a current local office number in their next directory for all offices that had direct local telephone access prior to nationwide implementation of the 800-number service in October 1989. Our goal continues to be to allocate available resources in a manner which provides the optimal level of personal service to both those who visit an office or contact us by telephone.

4. What is the timetable for successfully processing and resolving the earnings record backlog that I identified at a March 8 hearing of the Government Affairs Committee?

The workload referred to consists of the remaining unprocessed employer responses to SSA requests for information to reconcile wage differences between Internal Revenue Service and SSA records for the years 1978 through 1987. We have not only achieved our goal of completing reconciliation for tax years 1978-1987 but have completed tax year 1988 as well. We are now processing reconciliation cases on a completely current basis.

5. Could you provide for the record the findings of your recent field office inventory of pending workloads, as requested in a memorandum from Ruth Pierce dated March 21, 1990?

At the time the inventory was conducted the Agency was under a personnel freeze and overtime was severely restricted. The inventory indicated that higher than normal pendings existed in some areas in some nonclaims workloads.

Since then we have been able to provide additional resources to the field offices in the form of hiring authority for new personnel and overtime. Also, Strike Teams from the Commissioner's office were sent to field offices which had been severely impacted by staffing imbalances. These teams gave immediate authorization to these offices to fill critical vacancies.

The additional resources have allowed field offices to address those workloads which were shown to have high pending levels by the inventory.

Senator Pryor

6. I appreciate and share your commitment to SSI outreach. At the same time, I am concerned that despite the strong stand you have taken, SSA's budget request for FY 1991 recommends a decrease of $3 million dollars, or a 57 percent reduction, in research and demonstration projects related to SSI outreach. What accounts for this disparity between your stated commitment and your actual request and how can you accomplish your admirable goals with such a major reduction in the commitment of resources? What does SSA propose to eliminate that was being done in FY 1990?

In FY 1990, SSA received $3 million in section 1110 funding to establish an SSI Outreach Demonstration Program. We funded 25 outreach demonstrations in September 1990. An additional $6 million has been appropriated for FY 1991 for outreach demonstrations. We are in the process of determining how best to use those funds to further the outreach demonstration program. We plan to analyze the results of the demonstration projects and share our findings on effective outreach activities with local community-based organizations and national advocacy and social service networks.

Our effort is to focus on a permanent community network for SSI outreach that will remain in existence after the projects end.

7. During the past year, the Association of Administrative Law Judges has sent several letters to your office requesting formal recognition as a professional association. Will the SSA formally recognize the Association of ALJs as a professional association?

We currently have under review a March 19, 1990, request for recognition from the Association of Administrative Law Judges. We expect to provide the Association with a decision very shortly and will be happy to provide you with the same information at that time.

8. Why is SSA planning to downgrade duties that have been performed by claims representatives by giving them to less trained and less experienced service representatives? Does SSA have sufficient staff to have claims representatives handle all benefit-related work?

In SSA field offices, both claims representatives (CRs) and service representatives (SRs) now handle benefit-related work. The differences in their duties now relate to the complexity of the issues handled and the level of adjudicatory responsibility involved. Within the resources available, SSA is making every effort to maintain its present level of service.

CRs will continue to handle all complex title XVI workloads. We are planning to have SRs perform title XVI duties consistent with the title II duties they now perform. In addition, we will be providing SRs with indepth training to ensure they have the knowledge to perform these duties.

9. Can you assure the committee that none of the new duties you are planning to be performed by service representatives could result in the adjustment of SSI benefit levels? Which specific duties that have been proposed could affect benefit levels, and why should less experienced individuals perform these sensitive duties?

Service representatives (SRs) will assume responsibility for processing certain beneficiary reports of income changes. For example, the SR will process a notice of change from a beneficiary stating his previously reported wages of $200 per month will now be increased to $208 per month. The actual adjustment to the SSI payment amount is automated. The SR will be responsible for verifying the amount and making the system input.

The indepth training we will be providing SRs will ensure they have sufficient knowledge to perform these duties.

Senator Heinz

1. How much of SSA's contingency fund has been released during the current fiscal year, and how has it been spent? Please specifically address what portion has been spent on field office staff, teleservice staff, state DDS staff, computer equipment, and office equipment. If the remaining portion of this contingency fund is released, what are SSA's priorities for its use?

Through August 1990, $53.0 million of SSA's FY 1990 $97.9 million contingency reserve has been released. It has been allocated to the following activities:

- Additional full-time equivalents (FTEs), overtime, student employment and related support requirements for SSA components (including 500 FTEs and 146 workyears of overtime and student employment for field offices and teleservice centers) . . $29 million

- Information technology systems funds for software contracts, field office computer terminals, and other critical systems needs. . . . . .$16 million

- State Disability Determination Services (DDS) staffing and related requirements. . . . . .$8 million

Senator Heinz

2. After a SSA study found that SSI recipients' benefits were being inappropriately suspended, the Commissioner instituted a requirement that personal follow-through contacts be made with certain categories of beneficiaries-the homeless; persons with severe mental and physical impairments; and persons over age 75. While the Commissioner's swift action is commendable, the requirements seem to separate SSI recipients into the "merely vulnerable" and the "most vulnerable."

I have mandated that field offices (FOs) attempt personal followup contact with SSI beneficiaries in every case before suspending SSI benefits for failure to cooperate. (The instructions to the FOs are attached.) This requirement is intended to assure that no beneficiaries' SSI benefits will be suspended without their having the opportunity for SSA employees to discuss with them the consequences of their not providing information needed to verify their SSI eligibility and for SSA employees to assist them in obtaining such information. Therefore, SSI beneficiaries are not separated into any categories in this regard.

- What documentation does SSA have that SSI recipients who do not fall into these categories are receiving due process?

  Again, I have mandated that personal contacts be attempted with SSI beneficiaries in all cases before suspending SSI benefits for failure to cooperate. This assures all beneficiaries of due process under the law.

- What are SSA's reasons for not mandating personal followup contacts for every SSI beneficiary?

  As mentioned earlier, I have instructed FOs to attempt a personal followup contact with the SSI beneficiary in every case before suspending SSI benefits.

  SSA's study found that improper suspensions for recipients' failure to provide information usually occurred because FOs did not give recipients the required time to respond. As a result of these findings, SSA has reinforced the instructions to field office personnel to give recipients appropriate time to respond and special assistance when needed. The management review of these cases before suspending payments should ensure that these procedures, including personal contacts, are followed.

- What steps has SSA taken to ensure that persons inappropriately terminated in previous years have been reinstated?

  The 1986-1987 study showed individuals were inappropriately suspended, not terminated. In January 1990, SSA sent listings of all the cases in suspension for failure to provide information (about 42,000 cases) to FOs for review and reinstatement actions where appropriate.

  In addition, we reviewed all cases from the 1986-1987 study that were still in N20 suspension status 4 months after the study and reinstated all the individuals from that study who were improperly suspended and eligible for benefits.

Attachment

TRANSMITTAL NO.
SSA Pub. No. 68-0502301

Audience: DO/BO/TSC--CR, CR TXVI, DC, DRT, FR, OA, OS, RR, SR, TSC-SR; PSC--CRTA, CS, DMS, IES, RECONR ODIO, OIO--CATA, FCR, FDE, RECONE, RECONR

Originating Office: OSSI

PROGRAM OPERATIONS MANUAL SYSTEM
Part 05 - Supplemental Security Income
Chapter 023 - Posteligibility Events
Subchapter 01 - Posteligibility Changes

New Material

No. of Pages

ACTION NOTE

SI 02301.260--Delete entire section and cross-refer to SI E02301.260.

Background

This emergency transmittal reflects the Commissioner's decision of July 8, 1990 on supplemental security income (SSI) suspensions due to recipients' failure to provide evidence or information (payment status code N20). The new instructions require field offices to attempt a personal followup contact in all N20 cases before suspending benefits. This change will ensure that the Social Security Administration (SSA) fulfills its commitments to notify and attempt to locate SSI recipients before suspending benefits in all N20 cases.

This transmittal also manualizes and expands instructions in the administrative message from the Deputy Commissioner for Operations on this subject, dated December 12, 1989. FO management must preapprove all N20 suspension actions.

Effective Date: Upon Receipt

Explanation of Manual Changes

E02301.260 Failure to Provide Information (Payment Status Code N20)

Section E02301.260A.2. clarifies the policy on recipient responsibility. A recipient is not responsible for a third party's failure to cooperate with a request for information except when an alien recipient's sponsor or the sponsor's living-with spouse fails to cooperate.

Section E02301.260B.2. requires that field offices (FO's) attempt a personal followup contact in all cases before suspending benefits for failure to provide information or evidence. If the recipient has a representative payee, the FO must attempt a personal followup contact with the representative payee in all cases.

Section E02301.260B.3. This section includes instructions for difficulties FO personnel may encounter with the personal followup contact.

Section E02301.260B.9. requires FO management (i.e., operations supervisor or above) to review and approve of all N20 determinations prior to suspending benefits.

Section E02301.260B.10. changes the N20 suspension effective date from the month after the month of determination to the first month the FO can stop benefits. This change eliminates automatic overpayments that resulted from the timing of the systems input and costly FO development.

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TN (8-90)

E02301.000 POSTELIGIBILITY CHANGES

Section

Failure to Provide Information (Payment Status Code N20).....E02301.260

E02301.260 FAILURE TO PROVIDE INFORMATION (PAYMENT STATUS CODE N20)

A. POLICY

1. Failure to Comply

Supplemental Security Income (SSI) recipients who fail to comply with requests for information or evidence within a specified period are ineligible for SSI benefits.

2. Recipient Responsibility

A recipient or the representative payee, and an alien's sponsor and the sponsor's living-with spouse are responsible for providing necessary information to determine continuing eligibility and payment amounts.

A recipient is not ineligible because a third party fails to cooperate with a request for information.

EXCEPTION: An alien is responsible for obtaining the cooperation of the sponsor and the sponsor's living-with spouse (SI 01320.920). If the sponsor or sponsor's living-with spouse refuses to provide necessary information, the alien recipient is ineligible for SSI benefits.

3. Sufficient Information In File

If the recipient, representative payee, sponsor or sponsor's living-with spouse fails to provide requested information, and there is sufficient information in file to establish a period(s) of ineligibility, or continuing eligibility and payment amount, then the recipient is not ineligible for failure to provide information.

B. PROCEDURE

1. Requesting Information

Send an initial written request for information or evidence to the recipient's or representative payee's last known address. Retain a copy of the request in file.

- Use only Form SSA-8009-U3, SSI Request for Information/Evidence; Form SSA-L3074, SSI Posteligibility Notice of Appointment; Form SSA-8202-INST, Notice Card (Instructions for Form SSA-8202); or a central office approved version of one of these forms for personal computers.
- Complete the form. The request must explain that SSI benefits will stop if the individual does not comply with the request and does not provide a reason for noncompliance in 30 calendar days from the date of the request.
- Also follow instructions for completing these forms in SI 00501.525, SI 02305.020C.1., and SI 02305.081A.1.

2. Attempt to Contact

a. If the individual does not respond in 15 calendar days from the date of the request or in 5 days from the appointment date on a come-in request, the field office (FO) must attempt a personal followup contact. FO's must make the following attempts to contact:

- Telephone the individual if possible.

- o If repeated telephone contacts are unsuccessful, attempt a home visit.
- o If the individual is not at home, leave a written note (e.g., Form SSA-379, Notice of Call). The note must include the date that the 30 day period expires and a request for the individual to contact the FO before that date.
- o If the individual is not at the last known address, contact persons who may know the whereabouts of the individual (e.g., neighbors, landlord, friends, or post office). Pursue leads.

b. Make reasonable efforts to contact the individual. If you conclude that further attempts to contact would be futile, discontinue them.

c. Document the file on an SSA-5002 with the results of all followup contact attempts and why no further attempts will be made.

3. Problems

a. If the FO cannot locate the recipient (e.g., moved, no residence address, or homeless), suspend benefits for address unknown (payment status code S06).

b. If the recipient does not have a residence address or is homeless and the FO has a lead on how to contact the recipient (e.g., third party telephone number, soup kitchen or shelter), then attempt to leave a message or contact the recipient.

If the FO cannot contact the recipient and the recipient does not respond to the request in the 30 day period, then suspend benefits for address unknown (payment status code S06).

c. If the individual has a known language barrier, and there are no interpreters in the FO, arrange for an interpreter.

4. Successful Contacts

Remind the individual of the information or evidence requested and the period remaining to respond. When needed, give assistance to secure the required information. Explain fully the consequences of noncompliance. Document the file on an SSA-5002.

5. Extending the Time Limit

If the individual has a good reason for needing more than 30 days to obtain the information or evidence, grant an extension.

- o Discuss and agree upon the additional time needed.
- o Be sensitive to the individual's situation.
- o If appropriate, grant an extension and document the file on an SSA-5002.

b. When the recipient, representative payee, or sponsor does not provide the requested information or evidence within the specified period and the FO has made reasonable personal followup attempts, follow these instructions:

IF...	THEN...
A capable recipient fails to comply.	Suspend eligibility (N20).
The FO cannot locate the recipient.	Suspend benefits for whereabouts unknown (S06).
The FO cannot locate the representative payee.	Stop payments for representative payee development (S08). Consider direct payment when appropriate.
The representative payee who is the legal guardian or parent with custody of a minor child fails to comply.	Suspend eligibility (N20).
The representative payee who is not the legal guardian or parent with custody of a minor child fails to comply.	Do not suspend eligibility (N20). Attempt to obtain the information from an adult recipient if competent. Consider development for a new representative payee.
An alien's sponsor or the sponsor's living-with spouse fails to comply.	Suspend eligibility (N20).
Third party fails to comply.	Do not suspend eligibility (N20). Attempt to obtain the information from another source. Accept best available information/evidence.
There is sufficient evidence in file to determine a period(s) of ineligibility, or eligibility and payment amount.	Use that evidence to make the proper determination.

- o Grant additional extensions if needed. Document the file on an SSA-5002.
- o Diary the case for closeout the day after the extension ends.

6. Offering Assistance

a. If the recipient or representative payee does not have the requested information or evidence or is unable to obtain it, offer assistance.

b. If the recipient appears to need a representative payee, discuss it with the recipient and consider appointing a representative payee if appropriate.

7. Does Not Wish to Pursue

a. If a capable recipient or representative payee who is the legal guardian or parent with custody of a minor child does not wish to pursue continuing SSI eligibility, discuss voluntary termination. Also discuss possible loss of Medicaid coverage. Explain that failure to pursue will result in ineligibility for SSI.

b. If a representative payee who serves a competent adult recipient reports that the recipient does not wish to pursue, confirm it with the recipient if possible. If the recipient wants to receive SSI, or is unsure, develop for a new representative payee.

c. If the individual understands he or she will be ineligible for SSI and does not request termination, document the file with the individual's reason for not pursuing. Obtain the individual's statement on Form SSA-795, or record the statement on an SSA-5002 if the recipient refuses to sign an SSA-795 or the contact is by telephone.

8. **Determination**

a. Document the basis for an N20 suspension. Use an SSA-5002 to record the reasons and circumstances fully.

9. **Management Review**

FO management (i.e., an operations supervisor or above) must review the case folder thoroughly and approve all N20 determinations prior to suspending benefits.

10. **Suspending Eligibility**

After management approval of the N20 determination, suspend benefits effective the first month you can stop them.

EXAMPLE: FO management reviewed an N20 determination on July 26, 1990 after the systems cutoff date for stopping benefits in August 1990. On July 27, 1990, the FO input to the system an N20 suspension effective September 1990.

11. **Reinstating Eligibility**

Reinstate benefits effective the first month that evidence in file establishes eligibility.

C. **REFERENCES**

SI 02301.300, reinstating benefits after suspension.

GN 00502.100ff., SI 02301.275, and SM 01305.001O.20, representative payee development.

SM 01305.001O.15, systems instructions on inputting N20 suspensions.

SI 02301.305B., unconfirmed eligibility in retroactive month(s).

SI 02301.265, processing requests for voluntary termination.

SI 02301.261, suspending benefits when the recipient's whereabouts are unknown.

Senator Heinz

3. Requests for proposals are currently pending for 15-20 SSI outreach demonstration projects at a local level. These projects are expected to be completed within 12-17 months. Once this money runs out, what plans does SSA have for ongoing outreach efforts? Given the labor intensive nature of reaching the SSI population, what incentives will be in place for local communities to continue providing outreach?

SSA has developed a national, multi-faceted SSI outreach strategy which, unlike the demonstration projects, is being funded by shifting current budget resources. This strategy includes ongoing public information campaigns as well as providing assistance to groups involved in outreach efforts.

As a result of the request for proposals, SSA funded 25 outreach demonstrations in September 1990 with the $3 million appropriated specifically for that purpose for FY 1990. An additional $6 million has been appropriated for FY 1991 for outreach demonstrations. We are in the process of determining how best to use those funds to further the outreach demonstration program. We plan to analyze the results of the demonstration projects and share our findings on effective outreach activities with local community-based organizations and national advocacy and social service networks.

We then expect to be able to tailor outreach activities to the needs of particular communities, and our network of nearly 1,300 field offices will provide support as needed to continue to identify potentially eligible needy individuals and to assist them in the application process. Some of these activities will be integral parts of the services of the community organizations and as such will not require additional incentives. Others may require some assistance from SSA. Should we determine that SSA's budgeted resources are not sufficient to provide the assistance required, we will request additional resources for that purpose.

4. **Field representatives have traditionally provided valuable outreach services to hard-to-reach beneficiaries, particularly in rural areas. Yet, field representatives have been significantly reduced and those still remaining are providing more "in-office" functions. Please provide specifics on the number of field representative positions nationwide from 1984 to 1990, and describe how their responsibilities have changed during this time period. Does SSA have any plans to increase the number of field representative positions?**

At the end of FY 1984, SSA field offices had 1,081 field representatives (FRs) on duty. At the end of FY 1989, there were 601 FRs on duty. Despite this drop, SSA has maintained its outreach efforts through a reorganization of its outreach activities. In performance of their assigned duties to promote SSA programs and services, the FO managers conduct various outreach and public information activities. In situations where technical expertise is required, claims representatives are assigned specific duties. For example, these employees visit facilities such as homeless shelters, hospitals, senior citizen centers, and nursing homes to train service personnel on SSA programs and services, make speeches, and take claims as required.

The duties of the FR have not changed formally during this period. It has always been true that FRs perform "in-office work" when they are not on assignment out of the office. The proportion of their time spent in the office will vary with changes in the level of outreach and public information activity.

SSA has no specific plans to increase the number of FR positions.

Senator Heinz

5. Commissioner King has stated that she is not following SSA's Strategic Plan 2000, but is instead developing her own plan. In this new plan, what do you envision will be the "mix" of services provided through the 1-800 number and local field offices. How will you ensure that the public receives a choice of teleservice or face-to-face contact?

I published goals and objectives for the Agency in November 1989, and these goals and objectives are being used as a basis for development of the revised Agency Strategic Plan (ASP). A copy of the goals and objectives is attached.

One of my objectives for the Agency states that SSA will "assure that those who need or desire personal face-to-face service have ready access to that service." A second objective states that SSA will "make dealing with SSA as easy and convenient as possible by providing options for service delivery." Such options are intended to include telephone service, since SSA surveys indicate that much of the public desires to conduct business with SSA by phone.

The new ASP will reflect my commitments. The "mix" of services to be provided through our organizational components is one of the issues that SSA is reviewing as it prepares its new strategic plan. When the plan is available, it will reflect the direction the Agency intends to take with regard to this and other issues. SSA intends to continue pursuing efforts aimed at informing members of the public about the service options available to them and expects to be obtaining feedback from the public throughout the decade as to how well we are serving them and what other service options might be offered to meet their needs.

Attachment

Commissioner Gwendolyn S. King's Goals and Objectives for the Social Security Administration

1. To serve the public with compassion, courtesy, consideration, efficiency and accuracy.

Pay benefits promptly and accurately.

Make dealing with SSA as easy and convenient as possible by providing options for service delivery.

Assure that those who need or desire personal face-to-face service have ready access to that service.

Promote fairness, equity and responsiveness through all our policies, practices and decisions.

Provide for the prompt resolution of claims, including disability claims, and the reduction of existing backlogs.

Employ aggressive outreach activities to make current and potential beneficiaries fully aware of their rights under all Social Security programs.

Recognize that individuals have needs that go beyond SSA programs and provide for referral to related agencies, services and volunteers.

Use the most efficient methods and techniques in administering programs.

Identify and propose ways in which SSA programs can be improved to serve the American public more effectively.

Strengthen the Social Security Programs' State/Federal relationship by emphasizing open communication and shared information.

2. To protect and maintain the American people's investment in the Social Security Trust Funds and to instill public confidence in Social Security programs.

Assure that the Trust Funds are available for the beneficiaries of the future.

Base benefit decisions on sound information along with careful and reliable procedures.

Maintain each person's recorded earnings accurately and protect the integrity of all information SSA holds.

Provide public information for workers and their families to make them aware of their protection under the Social Security programs and the role of Social Security in their financial future.

3. To create an environment that ensures a highly skilled, motivated workforce dedicated to meeting the challenges of SSA's public service mission.

Assure that the workforce has the stability, resources, continuous leadership, training and modern tools to do its job in an efficient, dedicated and caring way.

Demonstrate an unwavering commitment to equal opportunity.

Recognize and reward employee contributions.

Promote strong, two-way communication between managers and other employees.

Provide a variety of opportunities for career development.

Senator Heinz

6. Earlier this year, SSA announced plans to "regionalize" the 1-800 system by directing all calls to teleservice centers (TSCs) within the caller's state or region. What is the timetable for full implementation of TSC regionalization?

In March 1990, SSA had 6 months of national 800-number experience. At that time, I asked an executive-level workgroup to begin a full review of 800-number operations and to make recommendations to me for service improvements. One of the issues that the workgroup is addressing is that of regionalization but no final decisions have been made.

7. My understanding is that by December 1990, Pennsylvania TSCs are expected to be regionalized--the Pittsburgh TSC will handle 60-85 percent of calls from the 412 area code; Upper Darby will handle the bulk of 215 area code; and the remainder of 412 and all of 717 and 814 area codes will be directed to the Baltimore mega center.

SSA implemented on July 24, 1990, a plan for improving the routing of calls to its 800 number based on area codes. (The previous plan directed calls on a State basis.)

The plan routes as many of the calls from area codes 215 and 412 as can be handled to Upper Darby and Pittsburgh, respectively. In order to provide additional capacity during periods of heavy call volume and to provide 12-hour live service, between 15 and 40 percent of area code 412 calls and 10 percent of area code 215 calls are directed to the Baltimore teleservice center during some hours of the day. Some calls during a limited number of hours from area codes 717 and 814 are answered at Upper Darby and Pittsburgh, respectively. The remainder of the calls from these area codes are answered in the Baltimore teleservice center.

- What criteria are SSA using to determine the percentage of calls that will remain within the State, and the portion that will be directed outside the State?

  The area code routing plan was developed to direct calls in the following order: to the nearest TSC, to a TSC within the State, to a nearby "regional" TSC and finally to another megasite TSC with additional capacity. Historical 800-number call data were evaluated using this criteria to determine the portion of calls that would be directed to various sites. For example, the maximum number of calls from area codes 215 and 412 would be directed to Upper Darby and Pittsburgh based on an hour-by-hour evaluation of call volumes and call-handling capacity in those areas. Excess traffic is then routed to Baltimore based on the above criteria.

- Are there future plans for all of Pennsylvania's calls to be kept within the State at the Pittsburgh or Upper Darby TSCs?

  As I previously indicated, any additional plans for directing calls on a regional basis will be made after recommendations have been received from the executive-level workgroup.

Senator Grassley

1. As I understand it, the Deputy Commissioner told you recently that some of the basic work load indicators show a potential deterioration in the level of service provided.

   Is that a correct characterization - that it is a potential deterioration? Or would you say it is more serious than that?

   I am concerned about the perception of service deterioration in SSA. We recently conducted an inventory of pending work in our field offices. While this inventory showed that high pendings exist in several postentitlement workloads, additional resources were allocated to the field offices in FY 1990 to help them reduce these workloads.

2. With respect to the handling of disability cases by Social Security Administration staff, I understand that you made it clear to your staff that you would not tolerate the kind of staff work that would allow tens of thousands of beneficiaries benefits to lapse. I believe that it is very important for you, as Commissioner, to make that clear to your people, and I commend you for it.

   However, I believe that an internal agency study stated that the problems could have stemmed from understaffing.

   Can you tell us whether you believe that you are understaffed, and what you are doing about it? Have you had cooperation from OMB in this?

   I believe that downsizing has placed undue strain on some of SSA's local offices, and I have taken aggressive steps to identify where those offices are and provide relief to them in terms of authority to hire additional staff. During the past 6 years of downsizing at SSA, attrition has fallen unevenly across the agency, hitting harder in some offices than others and resulting in staffing imbalances. Through onsite visits by "strike teams" to each region, we have identified where staffing shortages exist and approved additional hiring. We are staffing up further to a level of employment which will enable SSA to stabilize staffing at about 63,000 full-time equivalents. This level of employment should enable SSA to provide quality service in all offices in FY 1991.

   The Office of Management and Budget cooperated in this effort by making $53 million of SSA's contingency reserve available for obligation in FY 1990. As a result, SSA was able to accelerate hiring in FY 1990, as well as fund additional overtime and information technology systems and State Disability Determination Service expenses.

Senator Grassley

3. With respect to the Agency's new computer system, do you anticipate additional major service improvements that will be attributable to computer system improvements, or is the computer modernization project essentially complete?

As the National Academy of Sciences pointed out in its review, the goals of the original Systems Modernization Plan have largely been met. Significant systems improvements have been made in the claims-taking, enumeration, and public information areas. Modernization, however, is a continuing process to assure SSA systems do not again become outdated. Some of the major activities underway which will provide additional service improvements are described below:

1. Title XVI Modernization

SSA is embarking on a major new software development effort to create a modernized title XVI system that delivers the same level of service to Supplemental Security Income (SSI) recipients as the title II system does to our other clients. This software will support all aspects of SSI processing, including initial claims, appeals, disability determinations, redeterminations, overpayments, and other posteligibility activities.

2. Title II - Postentitlement

Online software to collect data on the six highest volume postentitlement events (i.e., change of address, name change, change of marital status, nonreceipt of check, death determination, and development of representative payee) has been developed and implemented nationally in field offices.

3. Title II - Back End

Online claims processing software which triggers the payments of a retirement claim and also computes the insured status, primary insurance amounts, and benefits for survivor and auxiliary claims was implemented in a pilot operation in January 1990. The pilot operations are currently being expanded to additional SSA offices prior to being implemented nationally. Development efforts are underway to improve this software to allow for the processing of additional types of claims.

4. Earnings Modernization

SSA is in the process of a modernization effort to provide for more accurate and reliable earnings data for use in benefit computations and earnings inquiries. The modernized system will provide: an integrated employer data and report control system; automated facilities for processing corrections to earnings records on an individual basis or by employer reports; and an on-line, real time access to earnings data for claims-related applications. It will also allow for more efficient generation of Personal Earnings and Benefit Estimate Statements.

Senator Grassley

4. One of our witnesses wrote to the New York Times stating that a manager had "...suggested destroying official documents to cover up that we didn't have the personnel to process them." (New York Times, April 28, 1990, letters to the editors column, attached.)

   Have you looked into this allegation and, if so, what is the status of your inquiry?

   The comment was made over 4 years ago during a 1986 brainstorming session. The comment was made in jest; it was not meant to be, nor was it, taken seriously. The workload under discussion was reports of death from funeral directors. This workload requires prompt attention to ensure the timely termination of payments and/or solicitation of claims for survivor benefits. The workload was processed; no forms were destroyed.

5. With respect to Social Security beneficiaries in rural communities, what are you doing to make sure that they have adequate access to Social Security staff?

   Social Security beneficiaries in rural communities have several service delivery options, including:

   - o Toll-Free Telephone Service

     This service is available to all beneficiaries. Most SSA business can be conducted by telephone, and experience has shown that most callers prefer to conduct their business by phone.

   - o Teleservice/Teleclaims

     Teleclaims offer the opportunity for doing business with the caller in his/her home at a convenient time. Scheduled teleclaims provide time for both claimant and interviewer to prepare for the interview, making the exchange of information more efficient.

   - o Home Visits

     We will visit a client in his/her own home if the client is physically unable to visit an SSA facility and a face-to-face interview is desired.

   - o Field Offices

     SSA maintains a network of nearly 1,300 district and branch offices that includes offices in rural communities. In addition, we have over 70 resident stations to make sure that rural areas receive service. A resident station is a very small facility, usually with only one to three employees.

   - o Contact Stations

     Face-to-face service is also available on a scheduled basis at nearly 2,000 contact stations. These are locations where SSA staff visit on a weekly, monthly, or quarterly basis, depending on the need.

Senator Burdick

1. Commissioner King, if Congress should approve an appropriation for additional staff, how would you use these people to begin to patch up holes in service? Where would you assign these people?

SSA's fiscal year (FY) 1991 request for $4 billion for the Limitation on Administrative Expenses provides for stabilizing SSA's staffing funded by this account at about 63,000 full-time equivalents (FTEs). In order to reach the level of employment to achieve this goal, SSA hired additional staff in FY 1990, concentrating on those areas most in need or those field offices most hard hit by attrition in recent years.

SSA's FY 1991 employment request was based on a detailed analysis of workyear needs, which took into account past experience and the time it took to process each unit of work, projected workloads, and various factors which affect the time it takes to process the work. SSA badly needed to have its FY 1991 appropriation approved at the level requested by the President, without any additional restrictions or across-the-board cuts. (Note: SSA's FY 1991 budget, as enacted, made available for obligation more than $100 million less than the level requested.)

Senator Burdick

2. Commissioner, I understand that you plan a shift of responsibilities from claims representatives to service representatives. Due to staff shortages in North Dakota, the claims reps are already forced to do much of the clerical work. If we do not add staff, how can we get claims reps back to their duty of working with beneficiaries?

Because the downsizing of the Agency over the last 5 years has been accomplished through attrition, staffing imbalances both among field offices and across different positions within offices have occurred in some areas. Also, we experienced a high attrition rate in the clerical ranks. These factors have required other field office (FO) employees to complete some clerical tasks from time to time. However, the release of some FY 1990 Contingency Funds assisted us in addressing some clerical shortages. Earlier this year, the Agency sent "strike teams" to visit FOs heavily impacted by attrition. These teams authorized the local offices to hire employees to address workload problems. Of the 484 new employees whose hiring was authorized by these teams, 132 were clerical employees.

In addition, the systems modernization activities of the last several years have reduced the amount of manual clerical work by providing FOs with new tools for controlling and managing work. For example, controls which were previously done manually by clerical staff can now be done as a byproduct of the ongoing automated claims process. Also, standardized correspondence which used to be typed manually by clericals is now automated through specialized software for the personal computers in field offices. These improvements have reduced the CRs' reliance on clerical support.

3. Commissioner, during the so-called "downsizing" we lost a dozen contact stations in North Dakota. Only one remains open to serve western North Dakota. The rural elderly and especially the older native Americans in my state sorely miss this service. Have you given any thought to reopening some of these contact stations in rural areas?

Currently, western North Dakota is serviced by three contact stations (Crosby, Watford City, and Fort Yates). Fort Yates is located in the center of the Indian reservation.

SSA maintains an ongoing program of service delivery assessment. We continually monitor the service delivery needs of all communities. As necessary, SSA services are expanded into new communities or discontinued if the need for that service no longer exists.

Most SSA business can be conducted by telephone, and clients prefer the convenience and immediacy of telephone service. Because of the increased use of the telephone, contact station workloads have declined. All contact station changes are based upon service demand and the availability of alternative methods of service delivery.

Where contact station service has been discontinued in a community, we visit clients at home if they are physically unable to visit an SSA facility and face-to-face interviews are desired.

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Item 2

United States Senate
SPECIAL COMMITTEE ON AGING
WASHINGTON, DC 20510-6400

May 15, 1990

Gwendolyn King
Social Security Commissioner
6401 Security Blvd.
Baltimore, MD 21235

Dear Gwen:

I am writing to request that SSA provide me with the findings of two studies that I understand are in the process of being finalized. First is the Personal Appearance Demonstration (PAD) projects on face-to-face interviews of disability claimants mandated by Congress in 1984, and second is the recent study of pending workloads in SSA field offices. These are both studies that would provide valuable information on the quality of services provided to beneficiaries, and I believe that members of Congress need to have full disclosure of these issues as we approach the budget and appropriations season.

My staff requested the results of the PAD study several months ago, and was told that they would be available in March. I am developing legislation that would require disability applicants to have the opportunity for a face-to-face interviews, and would like to incorporate the findings of your study. Both GAO and the Administrative Conference have recommended that SSA seriously consider face-to-face interviews for disability applicants, either at initial determination or reconsideration. Obviously, SSA's study would help in fine-tuning my legislative initiative. However, I cannot wait indefinitely for it to be released. This study was required by Congress way back in 1984, and frankly, I think we have waited long enough.

Gwen, you are aware of my concerns about the negative impact of staffing reductions on SSA's ability to provide timely and accurate services to the public. Your recent study on pending workloads is particularly significant in light of Herb Dogette's March memo which warned that SSA's workload is becoming "out-of-control." I would specifically like to know if the workload inventory verifies Herb Dogette's concerns.

The primary function of SSA must be to get the right check, in the right amount, to all the right people at the right time. If more staff are needed to do the proper job, then I expect the Administration to inform Congress of SSA's staffing needs. It is extremely distressing that the Administration publicly says staff levels are adequate and privately laments the absence of sufficient staff to get the job done. Yet, as Herb Dogette's memo illustrates, this is exactly what is happening.

I am requesting a personal briefing on these two studies by no later than the end of this month. I understand that the results may not yet be in final form, and a discussion of preliminary results will be acceptable. Gwen, I know that you have a difficult task before you, and I commend you for the progress you have made to date. I also know that we both share the same goal of providing quality services to the millions of Americans who depend upon Social Security. To accomplish this goal, I believe that the Administration and Congress need to work together in an open and constructive manner.

Sincerely,

JOHN HEINZ
United States Senator

Item 8

NTEU
The National Treasury Employees Union

STATEMENT OF
ROBERT M. TOBIAS
NATIONAL PRESIDENT
NATIONAL TREASURY EMPLOYEES UNION

TO THE
SENATE SPECIAL COMMITTEE ON AGING
HONORABLE DAVID PRYOR
CHAIRMAN

SOCIAL SECURITY ADMINISTRATION
RECOMMENDATIONS FOR FY 1991

U.S. SENATE
WASHINGTON, D.C.

MAY 18, 1990

Mr. Chairman and Members of the Subcommittee:

I am Robert M. Tobias, National President of the National Treasury Employees Union. NTEU is the exclusive representative of over 144,000 Federal workers, including all Social Security Administration employees in HHS regional offices, and attorneys in the Office of Hearings and Appeals. I am accompanied by Patrick Smith, NTEU Director of Legislation, and Paul Suplizio legislative consultant. I appreciate the opportunity to express our Union's views on the Social Security Administration's budget request for FY 1991.

The White House now realizes that it has a political disaster on its hands at the Social Security Administration. For awhile it got its way by throwing 17,000 federal workers out of jobs. Now the chickens are coming home to roost. The chorus of outrage at the public's inability to get help from SSA speaks a language the White House can understand: retribution at the polls. Hence the halt in further budget cuts.

The plan to shut down half of SSA's field offices and do business by telephone has been foiled. At least, no one will own up to it anymore. The new Commissioner has told Congress that the telephone merely supplements and will not replace local office service. That's not what the agency strategic plan says. The goal to "make teleservice the predominant mode of service" is printed in black and white.

NTEU would like to see SSA's 800-number succeed, but not by reducing a person's ability to contact his local office. The 800 number will be good only for certain workloads and certain types of people. The poor, elderly, and weak are too diverse a group to be handled by a single means. For now, the high busy signal and error rates have punctured the 800 bubble. With an enormous capital investment on its hands, SSA must bend every effort to make the investment pay off.

If the Administration still adhered to the goal of the Grace Commission to cut the number of local offices, FY 1991 would be the year to propose consolidation of the smaller offices, inasmuch as their staff had declined. Thus far, OMB has not made such a move, which our union would strongly oppose. Perhaps they will wait until after the election. For whatever reason, the President has proposed a standpat budget, rising from 62,365 FTE's in FY 1990 to 62,875 FTE's in FY 1991. The new Commissioner has relieved the hiring freeze for some offices, but it remains in effect in many locations. She has also terminated numerical performance measures and is reaching out to the workers. In this, we wish her well.

Nevertheless, the signs are disappointing that SSA will ever stand up to OMB. The agency is sitting on a $97 million contingency reserve, but so far this year not a dime has been spent. The hiring freeze continues, new procurement for the systems modernization plan has been cut to a bare $17 million, new software for eligibility determinations is urgently needed, new workload from SSI outreach and children's disability determinations are beginning to flow in, postentitlement actions are falling farther behind, the backlog in Hearings and Appeals keeps climbing, various systems that handle earnings enforcement, critical payments, and combined family maximum tests aren't working properly -- and the contingency reserve remains unspent.

SSA's problem is its inability to stand up to the Department and OMB in fiscal matters. Yet, for the most part, the money being spent comes from the trust funds. Wage earners have paid for the service they expect from SSA and are entitled to it. The most convincing reason for an independent Social Security Administration is to achieve autonomy over fiscal and personnel matters, so decisions can be based on the needs of the American people and not the needs of OMB and OPM.

The latest poll of April 1989, conducted for SSA by an outside contractor, shows lower morale and lower opinion of SSA's performance compared to two years earlier. More than half of SSA's employees described their morale as low and nearly three-fourths said they were overworked. The share of supervisors who said workers were doing a poor job of providing the best possible service to people rose to 37 percent from 26 percent in 1987.

The Administration's budget is totally inadequate to the needs of a severely strained and overburdened agency. It is a standpat document that fails to provide a blueprint for the future. SSA stands at a crossroads. It must make choices now about the kinds of systems and service delivery means it will need in the next century, when there will be five million more Americans over age 65. The President's budget commits only to maintaining the status quo, and the status quo is demonstrably unsatisfactory. We cannot support this budget, and we urge Congress to reject it.

As in the past, NTEU has prepared an alternative budget for the Subcommittee's consideration. It is shown at Table 1. The cornerstone of our plan, which we call our "Service Now" Initiative, is to restore the community-based service delivery system as the backbone of SSA. We would provide 3,000 additional FTE for this purpose. These positions would not only improve service and reduce workload backlogs, they are urgently needed to place a high priority on correcting a grave weakness of the present system, SSA's poor performance in handling Medicare inquiries from beneficiaries, contractors, and providers. Medicare is increasingly important to our greying population, and SSA is the only agency they can turn to, but there are countless practical problems for SSA staff in obtaining documentation and communicating with HCFA and contractor data bases for essential information.

Our "Service Now" Initiative provides resources to overcome longstanding problems with the agency's core processing systems. We provide 500 FTE to improve RSI and SSI process accuracy, 800 FTE to reduce SSI and DI processing time for initial claims, 400 FTE to improve handling of overpayment cases, 800 FTE to improve processing of postentitlement actions, 150 FTE to reduce delays in Hearings and Appeals. All told, NTEU's "Service Now" Initiative would add 5,650 positions to SSA's beleaguered staff, at a cost of $175 million.

NTEU also adds $28 million and 859 FTE to restore funds that the President's budget recognizes but fails to include. These items are specified in Table 1. The grand total of these restorations and the "Service Now" Initiative comes to $200 million and 6,500 average positions. Adding this to the President's budget request

yields NTEU's recommended budget for SSA for FY 1991 -- $4,369,620,000 and 69,384 FTE.

We must stress that this budget is the first year of a five-year plan. The number of beneficiaries placing demands on SSA continues to rise, and office workloads grow accordingly. We urge the Subcommittee to require SSA to submit annually, with its budget justification, a five-year resource plan consisting of a projection of SSA's principal workloads; a forecast of resources, in dollars and staff-years required to process these workloads; and an estimate of performance results, such as reduced backlogs and shortened processing times. As part of the plan, SSA should specify how it would allocate to its principal functions additional resource increments of 2,500, 5,000, and 7,500 FTE, and the anticipated results.

SSA should have its eyes set on confronting the challenges of the decade ahead and the next century; it should not be held hostage to the political exigencies of the moment. For this reason, NTEU suppports the establishment of a Social Security Service as an independent agency headed by a professional manager with full personnel and budget authority to accomplish the agency's mission of service to the American people.

Congress must pay more attention to SSA's primary resource--its people--in building for the future. During the past eight years, there has been an extraordinary imbalance between funds provided for computer and telecommunications equipment and funds provided for pay promotion, training, and professional development. Not only career opportunities, but personnel support--like travel, building maintenance, and office furniture--have been constrained to help pay for computer and ADP investments amounting to more than $1.5 billion.

NTEU does not oppose technological change, we welcome it as a means of serving the public better and creating a more humane workplace. Our Union has a solid record of spurring the introduction of new technology while enhancing opportunities for the workforce. But at SSA, new technology has often meant a work environment driven by statistical measures of performance that leave little room to deliver good service to the public. About half of SSA's employees do not welcome technological change if it will further reduce face-to-face contact with the public.

A dedicated workforce has carried SSA through eight years of chaos with very little reward. According to HHS, the agency's productivity improved by 31 percent from FY 1984 through FY 1990. In the private sector, workers who gained 31 percent in productivity would be entitled to a pay increase proportional to the productivity

gain, in this case averaging $9,600 per worker. But in the Federal service, if a gainsharing compensation plan is not widely available, workers do not benefit from their improved productivity. Instead, the government gets the entire benefit. NTEU considers this unjust and has pioneered gainsharing compensation elsewhere in the Federal government. We want to see modern compensation methods at SSA, where their introduction is long overdue.

In past testimony, NTEU has explained at length our concern about serious operational problems at SSA, such as inability to properly handle Medicare inquiries, erosion of the community-based service delivery system, rising payment and case accuracy, failure to collect millions in overpayments, untimely processing post-entitlement actions, and excessive caseloads in the Office of Hearings and Appeals.

Handling Medicare Inquiries

SSA local offices have long had difficulty responding to Medicare questions from beneficiaries seeking help with respect to an entitlement or billing, or a problem with a Medicare contractor. SSA staff lack access to contractor records and have frequently lacked up-to-date program information. A major problem is that the Health Care Financing Administration (HCFA) is responsible for Medicare but assistance to the public is the obligation of SSA's field offices. A review in 1988 by HHS' Inspector General of SSA's ability to respond to the public's Medicare inquiries concluded that "SSA is overextended in its commitment to assist beneficiaries with their inquiries related to Medicare claims. The SSA field offices lack the capacity to effectively answer most inquiries about Medicare claims because they do not have access to carrier data and the staff lacks experience with the complex processes and rules of Medicare." This extraordinary finding affecting 32 million Americans enrolled in Medicare resulted in the IG's recommending that HCFA assume primary responsibility to respond to beneficiary Medicare inquiries. We believe this solution is dead wrong and will effectively deny benefits to many who are unlikely to obtain them without assistance. SSA, which has the only service delivery system the public can rely on, should be required by Congress to carry out this responsibility and given the resources to do so.

Strengthen the Community-Based Service Delivery System

A rising number of beneficiaries coupled with staff shortages is straining SSA's ability to serve the public. Harrassed employees are more frequently urging customer self-help and reliance on other sources of assistance. As SSA's tradition of caring, compassionate service is being undermined, Congress should set a high

priority on strengthening SSA's regional and local offices. Spurred by a st .dy deterioration in its telephone accessibility, SSA introduced toll-free 800 number service on October 1st, 1988. .t also introduced a teleclaims procedure for taking claims over the phone in local offices, and extended the Modernized Claims System (MCS) for automated claims processing to local offices nat.on ide. Finally, it introduced an appointment procedure for local office interviews. While welcoming technological change, employees questioned the reduction of face-to-face contac with the public and strongly objected to SSA's setting quantitative goals for MCS and teleclaims. Staff shortages, poor morale, and MCS downtime were seen as obstacles to implementation. GA.O has note.' that SSA does not attempt to collect data on the best way to deliver service to its clientele by such factors as language, race, ethnicity, etc. If it did so, it could better tailor its services to the changing profile of our population.

Reducing Error Rates a·d Collecting Overpaym·nts

SSA has a much bigger accuracy problem affecting paymen. to beneficiaries than its been willing to admit. GAO found the error rate to be twice what SSA has been reporting, with errors affecting one out of eight beneficiaries for an average of 5 years, and costing the trust funds $1.1 billion a year. For Retirement and Survivor's Insurance (RSI), the dollar error rate reported by SSA was .35 percent or $612 million paid incorrectly, while GAO found the error rate to be .66 percent or $1.1 million paid incorrectly in FY 1986.

These incorrect payments affected 4.2 million persons or 12.7 percent of the 33 million beneficiaries that ye . The main reason for the difference between SSA and GAO is that SSA did not, at that time, count errors that resulted in underpayments. Yet about 60 percent of all cases in error are underpayments, which work hardship on retired workers. GAO placed t·e average underp. yment at 4.4 percent, which works out to $36.60 per month for the average retired couple in 1986.

Not only is the RSI payments problem bigger than ha· been protrayed, it's getting bigger because error rates have risen since 1985. When GAO looked just at cases where the error was SSA's fault, the error rate wa· 6.2 percent in 1985 and rose to 7.0 percent in 1986, "a statistically significant increase" according to GAO. GAO found that SSA had the systems to discover and correct only 10 percent of the errors (GAO/HRD88-1). Errors and failures in SSA's systems were preventing collection of "hu. dreds of millions" in benefit overpayments, out of $2.3 billion outstanding at the end of 1986 (AFMD88-37). In a study of processing accuracy for

RSI initial claims, GAO found the error rate rising from 5.9 percent in 1985 to 8.1 percent in 1987--a 37 percent increase (HRD88-97). Rising error rates show that, despite representations to the contrary, SSA's processing systems are in serious difficulty and trust fund resources are being wasted while overpayments continue to mount.

Strengthening the Office of Hearings and Appeals

The public is increasingly turning to Hearings and Appeals to review state disability determinations and Medicare Part B claims. The caseload is growing at 7 percent a year, outstripping available staff and lengthening the time to render a decision. Congress must act rapidly to expand OHA's capacity to deal with this mounting workload. SSA has long supported appointments of more ALJ's from qualified staff attorneys in the specialized field of Social Security Law. Recently, a Federal Courts Study Committee found that the principal issues in social security disability cases are factual and technical, requiring competent specialists in disability law to adjudicate those issues.

However, OPM has refused to modify its traditional standards for appointment, and continues to appoint ALJ's from a register that elevates persons with traffic or divorce or other expertise, despite clear evidence such persons are ill prepared to adjudicate disability cases. Meanwhile, the large pool of talent among OHA staff attorneys goes untapped. Once before, in the 1970's, Congress broke a similar logjam by directing the appointment of a number of ALJ's, and we believe a similar measure is now in order. We urge the Subcommittee to support legislation for the direct appointment of 100 qualified OHA staff attorneys to ALJ positions, as they are urgently required to bring the mounting case backlog under control.

In conclusion, approval of NTEU's budget recommendations would go a long way to enabling SSA to recover its morale and resiliency, by reopening promotion and training opportunities and applying resources to its most urgent tasks. We urge the Subcommittee to adopt our recommendations, and to specify in legislation the number of positions to be maintained.

Mr. Chairman, this concludes my statement. Are there any questions?

Table 1

SSA Budget Request for FY 1991 and NTEU Recommendation*

	Dollars (Thousands)	FTE's (Average Pos.)
Administration Request	4,166,974	62,875
NTEU RECOMMENDED ADDTIONS		
A. To maintain FY 1989 service levels -		
1. Process 27,000 new SSI claims from outreach mandated by OBRA-1989. This requirment is recognized in the budget but not funded.	+5,321	+172
2. Restore FY 1991 claimed savings not adequately justified in the budget. Any savings should be redeployed to process growing workloads and reduce processing times.	+11,230	+363
3. Restore FY 1990 absorption	+11,300	+324
Sub-total to maintain service levels	+27,851	+859
B. To fund NTEU's "Service Now" Initiative to Restore an Effective SSA -		
1. Strengthen the community-based service delivery system and upgrade performance in Medicare claims and benefits inquiries	+92,811	+3,000
2. Improve RSI and SSI process accuracy	+15,468	+ 500
3. Reduce SSI and DI processing time for initial claims	+24,750	+ 800
4. Improve processing of overpayment cases	+12,375	+ 400
5. Improve processing of postentitlement actions	+24,750	+ 800
6. Reduce processing times in Hearings and Appeals	+ 4,641	+ 150
Sub-total NTEU's "Service Now" Initiative	+174,795	+5,650
NTEU TOTAL ADDITIONS	+202,646	+6,509
NTEU RECOMMENDED BUDGET FOR FY 1991	4,369,620	69,384

*Limitation on Administrative Expenses

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